

TREATING SCHIZOPHRENIA • PAUL MARTIN'S PLAN

CANADA'S WEEKLY NEWSMAGAZINE

JANUARY 30, 1995 \$3.50

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CANADA'S WEEKLY NEWSMAGAZINE
JANUARY 26, 1993 VOL 156 NO 5

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70 For many years, the prognosis for most schizophrenics has been hopeless. Now, better drugs and new ways of treating the disease are enabling its victims to live in society and to build down jobs.



A New Year Dawns

Today, for New China, stands freedom, and it is in Canada, in this young nation above all others, that the rejuvenated China calls

She wrote *Maclean's* correspondent Julia Arrington in May—May of 1986, that is. The Middle Kingdom endures as a subject of uncertainty, mystery and fascination. In the past 30 months, four *Maclean's* staff members have been on assignment in Hong Kong or China. The latest was Vancouver Bureau Chief Chris Wood, who spent 19 days in Hong Kong, Guangzhou and Shanghai in November, preparing articles for a special report on the flourishing relationship between China and Canada (page 28). It also appears in an expanded form, a 32-page Chinese-language edition, distributed in Vancouver and Toronto to the eye of the Chinese New Year by *King Tao* newspaper.

As part of his mandate to expand coverage of Canada's burgeoning relations on the Pacific Rim, Wood expressed and directed the special report from his base in downtown Vancouver. Original articles were written in both English and Chinese, then translated for the other edition. Wood's able partner in the bilingual enterprise was copyeditor Lillian Su, a respected figure in Canada's Chinese-language media.

Closely, misadventures have flowed apace in the past. Until 1971, Canada refused to grant citizenship to Chinese immigrants and, in turn, there has been a certain wary reluctance of some newcomers to participate fully in the cultural and political life of their new country.

Each rejection and isolation must be the way of the past. Chinese-Canadians are increasingly engaged in the issues and trends that define the country, as symbolized by the



Project editors (to left), Wood, Chinese edition (below): common purpose

and a like who English Canada also will define itself, this goal is more important than ever. As he observed, "When each member of the Canadian family, individual and community alike, is valued and respected, each in turn will come to honor Canada's core values of fairness and justice."



Everywhere in the issue, *Maclean's* begins a regular feature to mark 90 years of publication, with a look back through the pages. The first installment deals with the first attempt by Chinese entrepreneur Sam McGowan to launch a motor car company at the turn of the century. An unlikely illness, it turned out, prevented Canada from producing a homegrown car.

Robert Lewis

Maclean's

CANADA'S MOST INFORMATIVE

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action, and you'll know how it earned its rating.



PONTIAC SUNFIRE BUILT FOR DRIVERS



LETTERS

Fighting fat

I'm tired at the start of the year to lose weight. This resolve was severely shaken when I received the Jan. 18 issue. ("The war is fat"). What a glorious cover! A mouth-watering, decadent, cholesterol-laden cheeseburger. Did I say my resolve was shaken? I lie. I gave it, I ate the cover!

Joe O'Donoghue,
St. Albert, Alta

How disappointing that you would use the stereotypical double burger with the words to illustrate "The war is fat." Within the body of the excellent, balanced article, nutritionists point out that "the much-maligned hamburger often has less fat than chicken or fish sandwiches when the latter are breaded and deep-fried."

Kerry Wright,
Bent/Westonville Centre,
Mississauga, Ont

I am an exercise instructor and I want to commend you for responsible coverage of "The war is fat." Your article did not begin to tell your readers what they "should" weigh; instead you allowed them to judge for themselves if they should reduce their fat intake. Muscle structure, body type and other factors can change weight significantly, but being at a higher weight does not necessarily mean a person is overly fat or unhealthy.

Peterson Savage,
Toronto

Good citizenship

As a true Canadian through and through, your New Year's message to Canadians did my heart good ("This is the year..."). From the Editor, Jan. 8) Why are Canadians so negative? Why are they always looking for greener pastures? A country is only as good as its citizens make it.

Joan Perry,
Stratford, Ont

Keeping in touch

Even though I am a Canadian who resides in Toronto, I have been in Florida since mid-November. I have just spent a pleasant two hours reading your Jan. 9 issue. The summary of world events and the predictions for 1995 are the best I have read any-



Fast food? Glorious, decadent, cholesterol-laden

where—especially your reasoning about the Quebec referendum. McEwen's is a great ambassador for all of us who are temporarily living abroad.

Myra Leckie,
Sarasota, Fla

Stained reputation

The photograph of the tortured Somali youth in "The year in pictures" (Jan. 8) brings forth strong feelings of outrage and revulsion. If Lester Pearson knew what had become of his vision for Canadian military forces acting as impartial peacekeepers, he would be rolling in his grave.

Ted Pickles,
Victoria B.C.

High stakes

As a bartender working in a restaurant with two video lottery terminals, I have come to regard slots with disgust and their addicted users with a mixture of pity and contempt ("Hooked on the game," Canada, Jan. 8). I now watch a wide variety of people—from affluent businessmen to welfare recipients—sit daily for hours pouring hundreds of dollars into easily accessible VLTs. What profit can the government hope to make if much of it must be spent on increased social assistance and addiction counselling? And there is nothing to stop parents from playing while their children sit on their laps or stare behind watching, learning the lesson that gambling—not hard work—is how to earn a living.

R. A. Young,
Pembroke, Ont.

True lies

The article on the morality of the use of atomic weapons in 1945 suggests that the debate is between veterans on the one side and younger, revisionist historians and journalists on the other ("The morality of bombs," History, Jan. 18). Yet you quote Samuel Eliot Morison, who was not a later-day revisionist but the distinguished Pulitzer Prize-winning Harvard historian who, in 1945, in 1947, because the official historian of the American navy. Morison's questioning of the decision to drop two atomic weapons on

population centers shows we must be skeptical of the arguments of some veteran's agitators, whose claims suggest that who served in the Second World War experience with a mission assuming the morality of certain tactical and strategic decisions. That Morison's statement appeared years ago in a widely used college textbook shows we must also be skeptical of those, such as the McKenna brothers in their documentary film *The Yakuza and the Honor*, who claim to be revealing previously concealed "truths" for the first time.

Neil Stufferland,
Vancouver

Picking a fight

Ted Rogers said he would raise cable rates by less than \$1 per month and we get a consumer revolution ("Cable gets upset," Business, Jan. 18). For decades, governments have relentlessly raised their revenues by far greater amounts and we hear very little.

James McGowan,
Almaraz, Que

In the doghouse

The dog in the film *For Free River* may be the boy's best friend, but he is definitely not a golden Labrador ("Boy's best friend," Film, Jan. 18). There is no such animal. He is either a yellow Labrador or a golden retriever.

Andrew Taylor,
Melrose, Ont

McEwen's references to "veterans" mean that veterans may be called for peace and change. Please notify your editor and do not delay. Please notify your editor. Letters to the Editor: Editor's discretion. 100 King St. W. Toronto, Ont. M5X 1C7. Fax: (416) 593-7226. Email: mcEwen@torstar.com

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OPENING NOTES



Sheldon's experiments to discover if men who smoked had longer-than-expected prison terms that in fact, according to a *New York Times* article on the photos last week, Sheldon felt like a doctor and carried all the photographs were taken. While the scientists failed to develop the names of other smokers involved, one of the people who volunteered to being photographed was Judith Martin, whose *New Masters* newspaper column is widely consulted. "I remember making a nervous speech in which I offered to sell them back to people for large amounts," Martin told the *Times*. "There were a lot of people who turned pale before they realized it was a joke." Other victims of Sheldon's weird science are still not laughing.

Stringfield, Sawyer (below) undressed on the name of 'science'

THE BRIGHT AND THE NAKED

The producers were told that it was simply routine. And at the studios at each prestigious schools in Yale, Princeton and Vassar enrolled researchers led by anthropologist W. H. Sheldon took nude photographs of tens of thousands of them. The photo sessions continued from the 1940s into the late 1960s, and many of the former students are now seeing the U.S. also—including future president George Bush, First Lady Hillary Rodham Clinton, actress Meryl Streep and TV journalist Diane Sawyer. While Sheldon was in his infancy with the photographs to measure posture, he actually believed that intelligence and moral worth could be determined by body type. And he hoped the photos would prove his theories. In fact, the wisest advice ever issued one of



A QUESTION OF VALUES

Teenage pregnancies can cause heartache for when it happens to the daughter of an MP who is an inheritor of a family fortune. In December, 1992, Nora Scott's MP husband, Skolnik, announced a 16-year-old daughter. Betty, gave birth to daughter Ann Skolnik, a conservative activist, said Skolnik's last November that baby Skolnik's teenage father, who is now studying in the United States, "didn't accept responsibility" for the child, adding, "There is no contact with him at all. It's a little heartache to himself." That in fact, months earlier the father had started legal proceedings in the Nova Scotia Family Court, seeking custody rights with the child. There, Skolnik argued that her daughter was still a child and needed to be completely separated from her former boyfriend. The court disagreed, and in a decision released last week, Judge David Hickey found that "it is in the best interests of the child to have reasonable access to her biological father."

Skolnik (right) is a father who wants his new child



BULLISH VIEW

When the *Maclean* press collected a month ago some of their stability spilled over in Canada's financial markets. Uncertainty about Canada's ability to reverse the national debt mounted at the international investment community. As a result, the Canadian dollar, which had already depreciated by about 30 percent over the past two years, quickly slipped to a new-year low and continued to display considerable volatility. As it did, many economic analysts forecast Canada to be an economic basket case. But are they right? Last week, Peter Hain, a vice-president of Salomon Bros. Inc., a leading New York City investment firm, injected 150 economic analysts not used to be shocked at Canada's "high grade" economy. And he argued for the dollar to be stable. He argued: "Canada's overall debt picture is actually improving. The federal deficit will likely come in at \$35.5 billion in 1993, down from \$39.1 in 1991 and \$42 billion in 1990. "Provincial deficits are also decreasing. In total, the 10 provinces are expected to show accumulated deficits of \$112.3 billion in 1993, down from \$20 billion in 1991 and \$25 billion in 1992. As a result, provincial credit ratings are actually improving. Investors should not expect a run on the dollar. In terms of purchasing power, it is already undervalued by 17 percent. And the Bank of Canada



Money troubles in Toronto's deficit control

has raised rates sharply to defend its value. "Canada has consistently stimulated investment for many years, while most other nations have faced volatility, including the recent collapse of the peso. "Investors should be aware that Canada's high credit rating reflects its strong capacity to service the debt, and the country has a long history of debt repayment. "Canada has a high level of economic development, a diversified, resource-rich economy and a broad tax base.

PASSAGES

SOUGHT: The death penalty for "Son of Sam" South, 23, who is charged with drowning her two young sons, by South Carolina prosecutor Thomas Pope, in Union, S.C. Last October, South accused a black man of kidnapping her car and abducting her boys, aged 13 and 14 months. Her travel publicist for the boy's release led to outpourings of sympathy from around the world. Nine days later, she confessed that she parked her car with the boys inside, down a boat ramp into a lake. Last week, South stood silent and trembling when asked to respond to the murder charges, and a no-guilt plea was read by the judge on her behalf.



DIED: Singer-songwriter Gene MacLellan, 54, who wrote *Swallow* for Anne Murray as well as the widely recorded *First Love* in his final months of his life, died of cancer, at his home in Sacramento, P.E. News.com's comfortable with his celebrity status, MacLellan stopped performing in 1973—once year after *Swallow* was the most popular song in the world—and donated his royalties to young performers while he lived abroad in Europe.

SETTLED: Per an unpublished account, an 80-session breach of contract and defamation suit by *Faye Dunaway*, 54, against Andrew Lloyd Webber, 43, who first met during the rehearsals of his popular musical *Sunset Boulevard* in Los Angeles. Webber had told Dunaway, who had replaced Glenn Close in the lead role, (told to sing well enough to play the part.

RELEASED: Dr. Gerson Rasmussen, 56, the Vancouver generalist who performed abdominal aortic aneurysm, and was shot in the leg while waiting breakfast at House last November, three hospital, where he was recovering from his wounds. No suspects have been identified in the shooting.

DIED: Former baseball umpire Max Luciani, 57, by suicide from carbon monoxide poisoning, in the garage of the Red Hook, N.Y., house he shared with his sister. After retiring in 1980, the firmly built Luciani worked as a sports commentator and wrote four books about his 11-year American League career.

DIED: Nobelist Adolf Butenandt, 91, whose pioneering work in hormones paved the way for the development of birth control pills, in March.

WAITING FOR THEIR LEADER

Little has been heard from Blue Quebec's leader Lucien Bouchard since he left his job as Premier of the province in 1991. In a recent interview, the 46-year-old Bouchard said that he has only one public statement since then. Bouchard seemed upset and seemed to be in a political bind. But a close confidant of the Blue leader's is a more sober story. Bouchard, he says, is in considerable pain and is suffering through arduous days of physiotherapy at a Montreal clinic. "He puts on a brave face when he's with the other patients, but his collapse when he gets home," says the friend, who has been in



Bouchard: 'Brave face'

constant touch with Bouchard through his wife, Anne, who the friend, the Blue leader is determined to return plans by some conservative to take advantage of his illness during Quebec's next election campaign by staging a dramatic "comeback" appearance close to the date of the vote. In addition, Bouchard wants to return to the House of Commons with no further as soon as he feels strong enough—probably within two months. "Anne doesn't want anyone to use his suffering for political advantage," says his confidant. "He just wants to show up for Quebec's period one day and take his seat quietly."

BEST-SELLERS

- FICITION**
1. *The Color Purple*, James Bevel (1)
 2. *Politically Correct Bedtime Stories*, James Earl Ray (1)
 3. *Queen Beatrix*, Alex Mann (2)
 4. *Wings*, Sandra Gail
 5. *Paths*, Les Dugan (4)
 6. *Myrtle's Book*, Susan Gardner
 7. *Eye of a Child*, Richard Ford (1)
 8. *A Discovery of Women*, Judy Wicks (2)
 9. *The Curious Man*, Richard Dumas (3)
 10. *A Son of the Gun*, John Irving (10)

11. *Philosophical*

NONFICTION

1. *On the Edge*, Steve Cooney (1)
2. *The Warren Bullseye*, Roger Anderson (2)
3. *Long Walk to Freedom*, Nelson Mandela (3)
4. *Discovering the Threshold of Sleep*, Peter John (4)
5. *Food*, Steve Cooney (5)
6. *How People at Death*, Graham Smith
7. *Black*, Roger Anderson (6)
8. *The Last Zone*, Richard Ford (7)
9. *Seven Days*, Movement (8)
10. *Philosophical*, Steve Cooney (10)

Compiled by Robin Fennell

THE NEGATIVES OF SELLING

Cable television operators are not the only ones learning to avoid so-called negative opinion marketing. Earlier this month, the Florida Columbia Superior Court of consumer watchdogs issued a ruling that the practice of tactics additional, unrequited coverage could cause policies to

even cost, without first notifying the policyholder. Deputy superintendent Larry Nelson said that a typical policy was to add travel insurance to a basic owner's policy without advising the owner, who was then billed for an additional \$200 as a premium of \$200. The timing of the provincial watchdog's warning, two weeks after West Coast consumers rebelled against an attorney's cable company to introduce seven new television channels by aggressive ads, was "coincidental," Nelson insisted. "We were

working on a statute when the state's Rogers Cable threw their up," the provincial official added, referring to the cable company that was the target of consumer protests. Unlike federal regulations, which actually approved the cable companies' use of negative opinion marketing, the B.C. Institute is more likely to be the practice "rather, misleading and deceptive." There is no doubt about the clarity of that signal.

Edited by TOM FENNEL



MONDAYS

JANUARY

23	Blackhawks	vs. JETS	8:30 pm
30	Maple Leafs	vs. STARS	8:30 pm

FEBRUARY

6	Sharks	vs. MAPLE LEAFS	7:30 pm
13	Blackhawks	vs. MAPLE LEAFS	7:30 pm
20	Red Wings	vs. MAPLE LEAFS	7:30 pm
27	Kings	vs. CANUCKS	10:30 pm
27	Maple Leafs	vs. RUES	9:30 pm

MARCH

6	Red Wings	vs. CANUCKS	10:30 pm
13	Kings	vs. MAPLE LEAFS	7:30 pm
20	Canadiens	vs. PITTS	7:30 pm
27	Oilers	vs. MAPLE LEAFS	7:30 pm

APRIL

3	Maple Leafs	vs. RUES	8:30 pm
10	Devils	vs. CANUCKS	7:30 pm
17	Maple Leafs	vs. BLACKHAWKS	8:30 pm
24	Whalers	vs. CANUCKS	7:30 pm

MAY

1	Maple Leafs	vs. OILERS	9:30 pm
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WHY WE'RE CALLED THE SPORTS NETWORK.

THURSDAYS

JANUARY

26	Flames	vs. RED WINGS	7:30 pm
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FEBRUARY

2	Canadiens	vs. PANTHERS	7:30 pm
9	Nordiques	vs. BRUINS	7:30 pm
16	Jets	vs. CANUCKS	10:30 pm
16	Canadiens	vs. RANGERS	7:30 pm
23	Night Hawks	vs. MAPLE LEAFS	7:30 pm

MARCH

2	Canucks	vs. FLAMES	9:30 pm
9	Flames	vs. BRUINS	8:30 pm
23	Oilers	vs. STARS	8:30 pm

APRIL

6	Canadiens	vs. NORTHBAYS	7:30 pm
13	Oilers	vs. CANUCKS	10:30 pm
20	Nordiques	vs. LIGHTNING	7:30 pm
27	Flames	vs. CANUCKS	10:30 pm
27	Red Wings	vs. JETS	8:30 pm



REAL LIFE. REAL DRAMA. REAL TV.

ANOTHER VIEW



Only in Canada: the CRTC's stupidity

BY CHARLES GORDON

It is ironic and very Canadian the way this cable business has turned out. The question is how Canadian this cable business will be when the dust finally settles.

First, the cable companies smothered some new channels and higher rates paid the CRTC behind the veil of Canadian content. That has always happened. If we had had the Canadian content that had been promised to us at the CRTC, we would be begging for relief from it.

Then, the CRTC tried to smother the Canadian content just the Canadian consumer behind a veil of greater choice. Greater choice meant more movies, more country music, more arts programming—and, by the way, you couldn't get The Sports Network and the Arts & Entertainment channel unless you bought the new stuff, too.

Typical. The industry leaves the regulator at a teacher for Canadian content: the regulator thinks the consumer can't. So they played their game and got caught at it. Then, they retreated and their retreat was declared a big win for the consumer.

But wait. What about that Canadian content? Well, it would cost extra—unless the American Arts & Entertainment network, the American Cable News Network and a few others. Canadian consumers, ecstatic over their triumph, wouldn't mind the cable people ransomed.

Should they? Sure. Canadian culture, at which Canadian TV has, or should be, a part, is what defines us, what distinguishes us from the rest of the world, and particularly the rest of the world south of us. It is also empty rent—jobs for the talented young writers and performers in this country. Those jobs can be just as good for our economy as jobs in the auto parts industry or the fisheries.

Canadians don't appreciate that, but enough. This is mainly because the survival of Canadian culture has been in the wrong hands—the hands of big corporations and government. The corporate sector is fickle,

*A person on the street
has a better chance
of meeting someone
with AIDS than
someone who has bought
a Canadian novel*

more interested in the fast buck than in the development of something that will last. Government is, not to put too fine a point on it, stupid. We need only look at the CRTC. Even the most well-intentioned and generous initiatives in the cultural sphere are bound up in such an extraordinary web of shifting regulations that it is a wonder anything gets through or performed in this country at all.

If that were not enough, the CRTC would put the new Canadian specialty channels on the basic cable and make the other American specialty channels optional. Canadians would get shows! and pay extra for A&E. Simple. But the CRTC won't do this. Antiquating a show, it will decline to ride it out. Only in Canada do people feel apologetic about protecting their culture.

Of course, if this were any other country, the matter would not have reached this stage. The proposed channels would be privately Canadian because there would be money in it, made in being proudly Canadian. The CRTC would not need to smother Canadian culture in the wide dark and we would all live happily ever after.

Unfortunately, it is not that way here and now. Culture is in danger—the arts because

the audience is small, mass culture because it is mostly out of time. The irony of all this is that the country has never had so many excellent artists in popular music and jazz, on stage, in the movies, in literature, in art, and more. Canadians are being heard and appreciated. The catch is that there is no money in it for them. They are being overvalued, particularly in the big-city areas, by the economies of scale of American entertainment.

How do we find our way out of this? The answer clearly does not lie with government. The government can, and should, create a friendly environment, but it can't create consumers. Enlightened areas of the private sector can help, but the overwhelming drift of the free market is continental and that will affect the arts as well. If there is a solution, it lies in the hands of the public, with individual consumers. Consumers have to vote with their feet, with their book-buying, ticket-buying and CD-buying dollars.

Will they do so? There are glimmers of hope. In books, many firms at Canadian bookstores show that Canadian sells. In fiction, for example, more than half of the top sellers are, typically, Canadian. Bookstores that promote Canadian literature—and there are not enough of them—find that Canadian books pay off.

But the book world is small. A tiny fraction of the public actually buys books, a book that sells 5,000 copies can make the best-seller lists. That's 5,000 books in a country of almost 30 million. The Ottawa writer and critic John Mitchell has observed that a Canadian walking down the street has a better chance of meeting someone who has AIDS than someone who has bought a Canadian novel this year.

Nevertheless, the point is worth noting: Canadians are capable of choosing Canadian in at least one area. Perhaps they could do so in others. We are all too familiar with the example of award-winning Canadian films that can't find a distributor in Canada or even in the U.S. A government that wasn't stupid (and that) would do something about that.

As for television, due to lack of money, Canadians that speak to us the way Canadian books speak to us. Right now, most Canadian programs speak to us the way American programs speak to us. That is because we have been afraid to try anything else and because we have not been encouraged to do so, either by the market or by the regulators.

So where do we start? First, by putting the Canadian stuff on the air, making the American stuff available for a price. Second, by being honest about what we are doing. Don't sneak Canadian programming in like nitro in the gutter and in with the benzene. Tell Canadians what they are getting and may appreciate about it. Third, make sure they get it. Make the broadcasters live up to their promises, as every respectable broadcaster has promised Canadian programming becomes repeats of The Benny Hill Show, pull the plug. One fewer channel won't do us any harm. But a couple of good ones could help us a lot.

CANADA'S SHAME

Amid the outrage, one question lingers: Where were the officers?

BY LUKE FISHER

They thought they had turned the corner. In early January, the soldiers of the Canadian Airborne Regiment believed they were on the way to losing down the brutal images of torture in Somalia that had haunted them—and the Canadian public—for almost two years. They had a new commander, a no-nonsense, Scottish-born careered officer, Prince Kenneth who was determined to restore their once-proud reputation as Canada's toughest fighting unit. And they were eagerly preparing for peacekeeping duty in Croatia starting in early April—a chance to win back the trust that some members of the regiment had so badly abused.

The pain was still at all the last coverage, not Airborne officer said, Marston's. "Things have been cleaned up."

Then, suddenly, all that hope disappeared. Newly released images of Airborne soldiers snuffing for a video camera as early 1993 brought back the old stereotypes of the unit—and added a deeply disturbing new dimension. One videotape, broadcast by the CBC on Jan. 15, showed several members of the Airborne making racial slurs. Chief among them was Master Sgt. David McElroy—a former member of the white supremacist, Aryan Nation group—who complained that he "won't look any niggers yet." Four days later, CTV News broadcast a second snuffing video shot following training exercises at the regiment's base in Petawawa, Ont., during the summer of 1993, before the Airborne was sent to Somalia. It depicted a brutal beating ritual, drunken men forced by comrades to sit down, vapid and unresisted, brand-new soldiers sat, a black soldier on a bench being hit around on all fours with the words "I love the AOC" leashed on his back; soldiers having dirt heaped in their faces while doing pushups.

The videotapes, particularly the second one showing degrading behavior, sparked public outrage and raised serious doubts about the very survival of the 550-member regiment. Defence Minister Jean Charest, expressing shock and disgust, ordered Gen. John de Chastelain, the chief of defence staff, to investigate the beating ritual and produce a report for him this week. Prime Minister Jean

Chretien, on a trade mission to Trinidad, went further. Describing the actions of the Airborne soldiers as "heinous and unacceptable," Chretien told reporters "if we have to denounce it, we'll denounce it. If we have no problem with that at all."

The Prime Minister's remarks were the strongest sign that the Airborne, an all-volunteer force that draws its recruits from Canada's top military regiments—and that tends to attract graphic soldiers to Canada's equivalent of the American Green Berets or the British SAS forces—may be disbanded. At the very least, its scheduled mission to Croatia was immediately put at doubt. Marston's has insisted that a reconnaissance team of about 30 members of the regiment had been sent to go there this week, but senior officers were ordered to stay in Petawawa and the controversy over the tapes has been dealt with.

The videotapes were just the latest black mark on the Canadian Airborne. Since the regiment's return from Somalia in July, 1992, 23 of its members have been tried by military courts for various offenses—many of them related to the beating deaths of a Somali, Corporal, Shabane Jacoe, in March, 1993. The private sergeant, Master Sgt. Clayton Mahler, was found guilty to stand trial due to being charged with a suicide attempt shortly after Jacoe's death. Priv. Elvin Kyle Brown was convicted of torture and manslaughter and is



now serving seven years for his role in the beating. Critics contend that Brown, who is appealing his conviction to the Supreme Court, is a scapegoat. They argue that his superiors have not been adequately punished, pointing to the acquittal of the Airborne's commander in Somalia, Lt.-Col. Charles Adams, and the relatively light "severe reprimand" handed to Maj. Anthony Seward, who ordered troops to "abuse" prisoners. And they say that the training incident points to a serious failure in the unit's command structure. Scott Taylor, publisher of the military affairs monthly *Rugby* of Corps, said he was shocked by the

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of soldiers from the Royal 22nd Regiment.

the legendary Van Doan

Military sources told Marston's last week that because of these regiments' numerous peacekeeping duties, many inspiring soldiers no longer view a stint with the Airborne as the best route for advancement. Instead, other regiments may even have dented soldiers they regarded as "bad apples" in the Airborne. In an interview last November with *Maclean's*, Lt.-Col. Kenneth—who took over command of the Airborne in September, 1993, with a reputation as a hard-nosed disciplinarian—said that in the past soldiers should have been screened more carefully. "To be frank, at times the Airborne has not received the very, very best," he acknowledged. That would point to a failure on the part of Kenneth's predecessors. In 1981

Soberland, a retired colonel with the Petawawa, is that a very strong head in needed when dealing with such aggressive young soldiers. "All times, the Airborne leadership has been weak," said Soberland. "On that occasion [the beating], it certainly broke down—from considering officer down to worst officers and sergeants."

Nicholas Soberland, a captain with the Airborne in the 1970s and now director of the Toronto-based Strategic Analysis Group, remarked that the beating ritual aimed last week "is closer to a bitter rebellion than anything to do with being a soldier." The analogy is apt. Some soldiers in the Van Doan have long been associated with the motorcycle gangs in Quebec, and as the videotape a man in full rider regalia can be seen in the background. Some members of the Petawawa have also been linked to bitter gangs, as on Jan. 10, last night groups snarled in the Aryan Nation.

The Airborne will come under more intense scrutiny when a public inquiry, ordered by Collette's last November, covers following the conviction of the last of the military units arising out of the Somalia incident, probably by late spring. Capt. Michael Seward—charged with violently causing bodily harm and negligent performance of duties—was Kyle Brown's



platoon commander in Somalia and to go on trial in Feb. 2012. The defence minister called the inquiry following allegations by army surgeon Maj. Barry Armstrong that Airborne officers had ordered the destruction of photographic evidence of the murder and abuse at Somalia by Canadian soldiers. Armstrong—who disavowed the claims and says he will remain independent in his inquiry—states the orders were part of the sweeping cover-up of an escalating pattern of violence.

Another issue likely to be examined is the poor logistical support of the Somalia operation, which caused tensions and cynicism among the troops. A report prepared by defence officials for the department of foreign affairs and obtained by Maclean's cites a report of supply and equipment problems faced by soldiers, including insufficient time to train and integrate leaders, and impractical clothing and back-packs for Somali conditions.

Other areas of concern regarding the Somalia mission were identified by a military board of inquiry in September 2005. It noted that a rogue element within 1 Comandos had used a desert campsite in southern Somalia as a training site, not as properly disciplined. Some soldiers had even formed what the report described as a "wall of silence" to protect each other from punishment after they had landed a helicopter's air and ground elements in a soldier's club at Petawawa and a nearby Algonquin Park in 2002. The group called themselves the "Rebels," and their use of the Canadian flag was described in the report as "an unbecoming act of defiance of authority." The report was critical of the fact that the man who had identified the problems—Lt.-Col. Paul Morneau—was removed as the regiment's commander before the Somalia mission for what has since been described by superiors as having "misconduct."

Questions about his removal, as well as activities within the Airborne, reach into the highest levels of the military. The key men in the decision to let Morneau and send the Airborne to Somalia were Maj. Gen. Lewis Macdonald, now retired, and Maj. Gen. Ernest Breen, who likely lost some tough questions at the ensuing inquiry. And some critics even point to Gen. G. de Chastelain—a former commander of the Parachute and Airborne, a vice-president of the Airborne—why they say was likely involved in the disciplinary problems. Added if the inquiry should look at problems extending beyond the Airborne, one senior officer replied, "Nowhere."

Last week's newspaper videotapes lent a new urgency to the inquiry. And so many predicting the Airborne's decline, a senior defence official told Maclean's that the scheduled peacekeeping mission in Croatia, Skutumpah, who believes Canada needs a commando unit, says the regiment has been judged by the actions of a few. "The only way they can remove that judgement is through their performance in the future." But they say not get the chance. For Canada's elite paratroopers, last week may well have been the beginning of the end.

PHOTO BY JANE FULTON FOR Maclean's

'WE CAN'T AFFORD TO LOSE THEM'

Ever under the cover of reinforced darkness, it was obvious that this was no ordinary Friday night at Canadian Forces Base Petawawa. Normally, by 5 p.m., the first of the regulars from the Canadian Airborne Regiment would be leaving the weekend with a beer and a glass of beer at Sassy's Bar and Grill, a highway 17 haunt within sight of the sentry post at the base's main entrance. But Sassy's would wait. Instead, last week, an hour after the rest of the 4,200-member regiment had left, a platoon of about 150 men

northwest of Ottawa had left work for the night, Canada's elite force of 550 men was being chewed out by the army brass. Military spokesmen might have called it a "briefing," or even a pep talk. But the faces glared under the harsh lights in the dimly lit barracks of men that streamed out of the base at 5:15 p.m. suggested differently. "It's hard to believe you're the best," grumbled one Airborne soldier. "When everybody knows you are."

If anything, the military community and the town that supports it are fed up with the Airborne's unimpressive status as they are with the antics of the small, trouble-prone group within the Airborne that provoked a T-28 crash in Petawawa throughout the past year. They had followed their elite unit in the 1990s leading

death of a Slovak teenager at the hands of Airborne soldiers. The release last week of video pictures showing the dark side of a supposedly highly trained and well-disciplined unit. The base was closed to all but authorized personnel, and soldiers were ordered not to speak to the media. Shopkeepers at the base GANEX store shrugged their shoulders at inquiries. "No disputing and power as those who are in the Airborne," said one military wife, "what are you expecting? We don't trust those

guys for the foreign service."

The talk was not just about military matters. "There's a fear that the reporters would embarrass the spouses," said Capt. Rob McGowan, spokesman for the base. At the local McDonald's restaurant and other businesses, journalists were shooed off the premises. In Sassy's, where Airborne T-shirts were draped over the bar, the reaction was the same. "The Airborne are our friends. You're not," manager Paul Leopold told a reporter. "We don't want anyone harassing them. We like to protect them."

The Airborne was perhaps predictable. CFS Petawawa, which along with spouses and civilian employees has a population of 10,000, is the hub of the town of Petawawa, with a civilian population of 5,200. In fact, it is the reason for the town's existence. From the over-sized K-Mart to the Wild West Steak 'N' Buns specialty store on Highway 17 that sells cowboy boots and Australian outback coats, the army is catered to and caudled, from Petawawa to nearby Pembroke. No one believes warnings that the regiment—amounting to one-seventh of the army's infantry troops—might be disbanded, that the idea provokes uneasy thoughts. "News reports make it look like the whole regiment has gone haywire," said Edward Chow, a pharmacist and Petawawa resident. "We certainly can't afford to lose them. If someone believes that the Airborne is rotten to the core, which we all know is untrue, then they will have to suffer a black eye for having misled them."

But the staunchest defenders welcomed an inquiry—and an end to the Airborne's woes. An editorial in the Pembroke Observer condemned the actions of "a small segment" but faulted an entire regiment. At the same time, the newspaper urged the military establishment to abandon its tradition of secrecy. "The videos and letters do teach themselves are sensational and raise our concerns about the conduct of the Airborne Regiment," said the editorial. "But the military can only regain the confidence of Canadians if they resolve their problems in public." Added Chow: "We all have to look at ourselves in the mirror—even if that reflection is not what most want to see."

BY JANE FULTON in Petawawa

FIGHTING A REPUTATION

The Airborne fails to shake the disgrace of Somalia

This was the CBC news on news Africa morning last week, beamed by satellite into the Kijiji sports stadium that was home to 300 Canadian peacekeepers in Rwanda, as another videotape had been broadcast the night before showing soldiers belonging to the Canadian Airborne Regiment committing brutal atrocities at Somalia in 2005. A collective groan rose from the soldiers listening to the radio. "This thing will never die," said one.

In a moment on the grassy field a few yards away, members of another platoon of Airborne soldiers prepared to digest the latest blow to their regiment's reputation. Twenty-two of the 36 Airborne troops left in Rwanda had also served on that disgraced mission. It has become the stain that will not wash out.

"I don't want to hear about Somalia everywhere I turn, and I don't want people following me around putting me on the back telling me how great I am every time I don't screw up," said an angry and irritated West Coast Officer Wayne Bartlett of Saint John, N.B. "I just want to do my job, lead my men, do what we are trained to do." The Airborne said and does make an effort to hide their frustration at the damage done to their once-proud regiment. And there is an endemic wariness of journalists. Not surprisingly, the soldiers blame the media for turning their all with the story of a few.

Indeed, the outrage in Canada over the latest revelations of Airborne misbehaviour has eclipsed the completion of a well-regarded 18-month tour in Africa by soldiers of the regiment. Desperate to introduce some toughness to his peacekeeping force last summer, Maj. Gen. James Dickson asked Ottawa to send two Airborne platoons (about 85 soldiers) to the 300-member Canadian contingent earmarked for Rwanda. To Maj. Gen. Guy Gosselin, who succeeded Dickson as the 1st Force Commander last August, the Airborne have acquired themselves professional in Rwanda. "In this theatre, they were the best soldiers I had," said Gosselin. "If I had been given a full battalion of Airborne troops, I could have secured the four corners of Rwanda in half the time. And their ability to operate at night impressed the Rwandan army, which was supposed to be expert in night operations."

But once again the Airborne may have been mistaken. The regiment is an elite unit, trained to execute the mission, not romantic visions of warfare. But in the situation in Rwanda involved, the Airborne ended up handling security duty at the Canadian base, a mundanely boring task with high-visibility soldiers. Purely to play that



ASSIGNMENT
BRUCE WALLACE
IN RWANDA

rolelessness, UN commanders asked the Airborne to take on untested tasks, such as night patrols to protect Rwandan soldiers in return for food, fuel, refrigerators, and running day and night patrols last September at the remote southeast corner of Rwanda, where there had previously been no UN presence. "That was more our style of operation, sneak and peek stuff," said Capt. James Price of Chilliwack, B.C., the Airborne's public relations officer.

But Airborne soldiers certainly fought the reputation that preceded them. Even the elite Canadian peacekeepers sent to Rwanda as press correspondents about being alongside the Airborne, although the letters received over the months as they watched the army's hand over the night to the spirit of the mission by handing a platoon for a night operation and ensuring steady beams from Canada. "We have all felt the pressure," said Price. "We've had the weight of the regiment on our shoulders, and we know that every little mistake would be magnified by 10."

And mistakes were made. One soldier was arrested and sent home early for drunkenly firing a shotgun, an incident that received some attention that is normal because of the Airborne's character. Two others were sent home after cutting their hands on a blood-soaked cloth that left them vulnerable to diseases. Tragically also struck the shaman when Cpl. Scott Smith of Wilket, Ont., committed suicide on Christmas morning. "I know there are Canadians who are at home saying, 'Why are they sending the Airborne?'" acknowledged Price. "But I know we can do peacekeeping, and we wanted to prove it here."

But amidst the recriminations over Somalia, Canadians have still not addressed the fundamental question at the root of the Airborne after 70 Canada is to be a nation of peacekeepers, does it still need a regiment designed for the most unpleasant and vicious kinds of combat? Used that issue is asked, the Airborne will continue to be assigned to tasks for which it was never trained—for the simple reason that Canadian ground forces are already stretched thin with peacekeeping assignments.

"The prejudice grows in all of us as these missions wear up," and a sympathetic Capt. Dave Macdonald, the 47-year-old chaplain of the Canadian contingent from Digby, N.S., as he reflected on the Rwanda tour that ends this month. "It's our anger and subconscious wishes, words are often said that everybody feels about the military and the Airborne. The Airborne are not the only ones it happens to." But, he added pointedly, "I sleep well at night because they're here. And I wouldn't if they weren't." □



Intelligent, energetic troops in Rwanda: "They were the best soldiers I had."

BONDING AND BRUTALITY

Hazing survives as a way of forging loyalty to groups

Hazing. For years, the word has struck fear into the hearts of university freshmen, fraternity pledges and many recruits. It is difficult to see the value of a practice that can involve—in some of its milder forms—sleep deprivation, public nudity and childish pranks or, at worst, extreme drunkenness, gross sexual abuse, even beatings. But despite political correctness, hazing survives in the 1990s—in last week's video footage of a hazing ritual at CFB Petawawa, it was dramatically proved. "Since the dawn of time," says Fredrick Matthews, a community psychologist in Toronto, "all groups have had initiation rites. We're not seeing anything new under the sun."

One reason for its endurance is that hazing capitalizes on the need for individuals to feel they are part of a larger whole. Psychologists call the process deindividuation. "There is pressure exerted by the group and people lose the ability to regulate their individual behaviour," explains James O'Neil, professor of psychology at Simon Fraser University in Burnaby, B.C. "You are not held accountable for what has gone on, so you end up doing things that you wouldn't do individually."

Matthews, who studies the social dynamics of street gangs, says that "these ceremonies turn your resolve to surrender your identity to become part of the group."

In sports, particularly at the college and pro levels, hazing is a popular form of introducing rookies to a team. Some U.S. college football teams insist that new players bite the hands of all five coaches to show their toughness. On others, rookies are forced naked to introduce themselves to the team. Some U.S. college football teams insist that new players bite the hands of all five coaches to show their toughness. On others, rookies are forced naked to introduce themselves to the team. Some U.S. college football teams insist that new players bite the hands of all five coaches to show their toughness.

be identified, says hazing continues even to the professional ranks. "It's a test of how badly you want to be a part of a group," he says. "In my experience, the harder the hazing, the closer they gravitated to be."

Individually, the groups most notorious for hazing have been fraternities, but the *Animal House* days of party raids and hunkypunking may finally be on the wane. George McNeill, now a Toronto public relations executive, joined Zeta Psi fraternity—the oldest college fraternity in Canada—at the University of Toronto in 1970. He recalls his hazing as "bun-

sure it is stopped and change the culture."

But hazing continues elsewhere—and sometimes it turns abusive, even deadly. Last October, four players on a hockey team in Chatham, Ont., complained that they were ordered to masturbate with their hands, straps and stretchmarks, 33 people have been charged with more than 130 sexual offences in the case. In the United States between 1984 and 1994, 23 people died in hazing-related violence. In one of the most brutal instances, Michael Dunn, a 25-year-old student at South-

east Missouri State University in Cape Girardeau, Mo., died after he was beaten, body-slashed and kicked in the chest during initiation at Kappa Alpha Psi fraternity last February.

Such cases are rare. But the Airborne videotape last week pointed to the extremes of deindividuation that hazing can involve. "Hazing, in this situation, is dehumanizing them to the brutality of war," says Matthews. De-

scribed Harrison, head of the sociology department at Brock University in St. Catharines, Ont., contends that the videotaped hazing is evidence of a military-wide problem of racism and macho-style bonding. "The way they got into to do their training faster is to say, 'OK, you wanna, you're slow'—they use harassment and women-oriented words to get them angry," says Harrison, the author of *No Left Turn: A Military View on Canada's*, a book that examines military culture. She adds: "Maybe we should ask, given that military bonding creates so much money in other people, how much do we need a military?"

That question, at least as it applied to the Airborne, was in the minds of many Canadians last week. But psychologist O'Neil, noting that such hazing events are relatively easy to prevent once a person is authority overtly forbids them, has another question. "In any situation like this," he says, "you have to ask, 'Where were the individuals in charge?'"

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JOE CHIRLEY with PATRICK O'BRIEN
JAMES DEACON and SAUNDY DODGE
GARDNER in Toronto



Initiation rites at CFB Petawawa, racism and macho-style bonding

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Strength beyond numbers

The prime suspect

Fernand Auger's suicide adds to the mystery of a woman's abduction

At the time it seemed like a heartless holiday greeting from an old friend. On New Year's Day, a Chic French-language journal in Sudbury, Ont., received a collect call from 32-year-old Fernand Auger, who was living in Calgary. The two men had been friends since the late 1960s when Auger was a greasy-haired waiter at a popular Greek restaurant in the Northern Ontario city. Auger, who had been released from a Bowden, Alta., penitentiary in August 1994, after serving 16 months of a two-year sentence for armed robbery, told his friend that he was working at a Calgary restaurant but planning to move. But he would not disclose his plans. "He said, 'You work out, you'll know about it,'" recalled the journalist, requesting anonymity. "I said 'Vive le Québec.' As far as I know, he's the last person he talked to before he left Calgary."

Within days, Auger had become the prime suspect in the abduction of 23-year-old Melanie Carpenter, who disappeared shortly after noon on Jan. 8 from the Starry, B.C., tanning salon where she was working alone. In the two days following Carpenter's



Auger in bank security photo; a vigil for Carpenter (below); disappearance

disappearance, at least four people observed Auger in the southern Alberta city of Lethbridge, where he had lived and worked in the early 1980s and again a decade later. Shortly after these sightings, Auger was dead. On Jan. 15, a real estate agent was shown a client's vacant home in High River, Alta., 50 km south of Calgary. Inside Auger's former body in a car parked in a garage on the property. He had slices his own life by stabbing a car's windshield faces from the vehicle's engine.

An RCMP search of the car, a red Hyundai Excel that Auger had rented in Calgary on Jan. 7 using a friend's credit card, turned up several strands of long blond hair believed to be from the missing woman. But late last Saturday, two weeks after her abduction, police were still searching for Carpenter. Her father, Steve, a fishing guide from Cullen Lake, B.C., 100 km from Vancouver, and mother, Sandy, who have been divorced for several years, launched the "Bring Melanie home campaign" and set up an operations centre in a Starry hotel. Family members, friends and concerned citizens answered phones set up to take tips and spread calls. "There has been a phenomenal amount of support," said Carpenter.

But along with sympathy for the family, many people, particularly violent rights groups, angrily criticised the National Parole Board for releasing Auger before he had served his full sentence. Some argued that Auger's previous criminal record—he was convicted at second assault and lugging in 1985 for an incident involving a 14-year-old prostitute in Toronto—was proof that he was a potentially dangerous individual. "People are really pissed off at the way they let guys like Auger go," said Carpenter. "It's got to stop."

Parole board officials said that under the law they had no choice but to release Auger after he had served two thirds of his sentence because he was not considered dangerous. In fact, many people at his home town of Sudbury, who had known Auger since childhood, told Meliora that they were stunned to hear that he was being let to Car-

pent's abduction. And they helped to piece together a profile of a troubled life.

Auger was the fifth of six children born to a poor Sudbury couple. Fernand's father died in 1902, when he was 5, and within a few years he and his siblings were sent to foster homes because their mother was unable to care for them. Two of his sisters and his older brother Gilbert still live in Sudbury while another sister lives in Orleans, Ont. A third sister, Jacqueline, died in 1975 in a car accident. As an adult, Auger confided to friends that he had been physically abused in one foster home and sexually abused by a priest.

One former classmate, who remembered Auger as a poorly dressed, neglected child, said that he found some aspects of the abduction and Auger's involvement remarkably strange. "I was listening to the news when I heard that they had found him dead," said Luc Desrosiers, who now runs a photo studio in Sudbury. "I was devastated when the girl's father said, 'Good for the boy.' All I could remember was this little guy who was so frail and lost."

A former teacher, Pauline Melville, says that on several occasions she and her colleagues quietly asked their students to donate clothing for Auger and his siblings. And Desrosiers added that, as a teenager, Auger seemed very care-

free. He apparently went no farther than Grade 9 and, after getting schoolwork done, began working as a waiter. He also moved frequently. Auger told friends he had lived in several communities in Ontario and Alberta.

He also posed one threat with an account Auger had been charged with the sexual offense, for which he received a sentence of two years less a day. According to this account, which is impossible to verify because records of the trial are unavailable, Auger had been a prostitute who agreed to have sex with him. During the act, he engaged in oral intercourse. Afterwards, he said, she demanded more money. He refused to pay, so she charged him with sexual assault and lugging. He was convicted, and served his sentence in an Ontario provincial jail. Afterwards, he returned to Sudbury and worked in the late 1980s as a Greek restaurant.

Auger developed a reputation as a first-time waiter, and became friends with a group of French Canadian radio and television personalities from the city's CBC outlet.

"He knew his pals," recalled the owner of the restaurant, who also asked that her name not be used. "If a lady took out a cigarette, he'd be right there to light it, and the waitress would always be close. He was charming; he was a little people guy. We can't believe he would do something like this."

At this time, Auger became very good friends with a woman who owns a lingerie shop in downtown Sudbury, according to one of his former CBC acquaintances. The woman, who refused to speak about Auger, introduced him to her niece, a schoolteacher and the daughter of a former Sudbury city councillor. From there, a relationship developed, and in October 1990 Auger and the young woman were married. More than 200 guests attended, including some of the bride's relatives from Italy.

In mid 1991, the couple decided to move to Alberta. Friends say that he worked in beef for the summer and in the fall they moved to Lethbridge. They began to have casual encounters, friends say, while living there. By the end of 1991, the problems had reached the point where she decided to go home temporarily to reconsider the relationship. "He pulled the agreed money [in a Calgary service station] while she was gone," says one friend. "It was either the day before going to pick her up or the day after or on the way there. They're driving back to Lethbridge, and they're not even out of Calgary yet, and her police officers stop him. She doesn't even know what's going on. He gets arrested and she's really angry by this time. She went to Lethbridge, packed up her stuff and hung back to Sudbury. They never see each other again."

While he was in prison, Auger and his wife divorced. Upon his release, he moved to Calgary and found a job as a bartender at an Italian restaurant. Auger worked there until Dec. 31, and the next day played in a bar. He continued an acquaintance to lend him a credit card, rented a car and set out for Vancouver.

Five days later, on Jan. 6, Melanie Carpenter disappeared. The crime shocked the public and baffled police. Gary Marshall, her employer, told police that, shortly before the abduction, someone called Carpenter several times posing as an agent for a group of Japanese investors who were interested in buying a tanning salon franchise. The caller asked her to close the salon between 1 and 2 p.m. as the investors could inspect it. Carpenter

disappeared shortly before 2 p.m., and at 2:15 p.m. someone using the woman's bank card withdrew \$300 from her account. A bank security camera revealed that Auger made the withdrawal.

The next report, citing a Calgary columnist at 11 p.m. on Jan. 7 at a doughnut shop in Lethbridge. Mason said that Auger accepted two teenage girls but left when three RCMP officers exited the shop for a coffee. Two other Lethbridge residents, both former co-workers, reported seeing Auger in the city on Jan. 8.

After the discovery of Auger's body, two Calgary Herald reporters managed to inspect the man's sparse one-bedroom apartment. It contained a Bible, a couple of walkie-talkies and a copy of the national *Final Exit: The Possibility of Self-Directed and Assisted Suicide*. There was also a prison manual for self-education in which Auger had described himself as "insane, unloved, mad-as-pie." But there was nothing that would explain Auger's disappearance that day, which led to his death and Melanie Carpenter's disappearance.

D'ARCY JENNIS and JOHN HOWSE in Calgary and ROBIN ARIELLO in Surrey

Carpenter loved her family—and feared the attentions of men

Melanie Carpenter often told her mother "Mum, when you go out, hold your head up. Look like you're in control. Don't look vulnerable. Don't look like you can't be prey." In fact, friends and relatives say that Carpenter, a 23-year-old hazel-eyed blond, was con-

fident but shy. Gary Marshall, her boss, tried to convince her to work at another location where there were usually two or three women on a shift. She was there when on Jan. 6 when she was abducted by a man whose police believe was Fernand Auger, a convicted sex offender. Despite an exhaustive search, her whereabouts remained unknown as week ended.

Born on April 22, 1971, in New Westminster, Carpenter grew up across the Fraser River in the municipality of Surrey. At the age of 10, she began losing grammies and six years later she became the Lower Mainland champion on the beam and vault. But while Carpenter was good at sports—she also played softball and volleyball—she was not a particularly athletic student. "She wasn't a real academic kid," said her father, Steve. "If the subject didn't interest her, she was the kind of kid who would look out the window and watch the birds making a nest."

By all accounts, family is Carpenter's main priority. "She never forget her Mom, even when she left at home," said her grandmother, Enid. "She called me all the time." She also loved animals, and her pets include a cat called Kitty Salt and a rabbit called Gismo, named after a character in the movie *Gremlins*. "I will never forget a neighbour called Jennifer. Saw Carpenter had planned to ask him the rabbit's name to prove that he had Carpenter."

According to her father, Carpenter was afraid of being abducted. He said he advised her not to put up a struggle if attacked by a man with a weapon, that it was better not to resist and to stay alive. Since her abduction, though, he has had enough to recall. "I wish," he said, "I had told her to fight with everything she's got."

Carpenter worked alone at the Island Tan salon even



Carpenter. "Don't look like you can't be prey"

travels casually when it came to men. If someone else was hanging around the Island Tan salon in Surrey, B.C., which she managed, she would call her friend, Anne Boston, and ask him to come down. All five feet, four inches and 112 lb., Carpenter often dressed conservatively to conceal her athletic figure. She worked out at a women's-only fitness centre so that men could not tell her "She is the kind of girl," said her mother, Sandy, "who didn't like guys making remarks."

Carpenter worked alone at the Island Tan salon even

ROBIN ARIELLO in Surrey

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CANADA

Murder in the Giant mine

Roger Warren's conviction ends the N.W.T.'s longest criminal trial

For 15 agonizing weeks, the three women sat in the Yellowknife courtroom in a row directly behind Crown prosecutor Peter Martin. Two of them, Darlene Moore and Julie Pander, lost their husbands in the September, 1992, underground explosion at the Giant gold mine that killed nine men, while the third, Carol Rigg, lost her son. The women listened intently throughout the trial, which was to determine whether former miner Roger Warren had placed all the bombs that killed their loved ones. At various points, they clasped their hands as if in prayer, wiped tears from their eyes and fled from the courtroom when the evidence became too graphic. Last week, a Northwest Territories Supreme Court jury declared Warren guilty of nine counts of second-degree murder and recommended a life sentence with no possibility for parole for 30 years. The verdicts followed a week of testimony from Warren's eleven children and his wife, Julie. "I just breathe," said Pander, "we can now start our lives all over again."

The jury's verdict, delivered after nearly five days of deliberations, ended the longest criminal trial in the history of the Northwest Territories—and certainly one of the most bizarre. Warren, who was one of 300 striking miners at the time of the fatal explosion, was charged in October, 1993, with nine counts of first-degree murder. The charges came after he repeatedly confessed to the crime to police officers. Audio and videotapes of those confessions were played for the jury, including one in which an undercover Warren took officers to a spot 750 feet below the surface of the Giant mine and methodically re-enacted how he had placed 56 kg of explosives along a rail track. A few hours later, the bomb had been triggered by the wheel of a rail car used to transport miners through the dark tunnels. Nine men were smashed against the rocky walls, and died instantly.



Warren in handcuffs after conviction; Rigg, Moore and Pander (below): tears, cheers and vindictive relief



But the jury also heard quite a different story when the slender, bespectacled Warren spent nearly seven days testifying on his own behalf. He revealed all his confessions, saying he had made them at a time when he was under stress, severely depressed and obsessed with bitterness over the closure of Royal Oak Mines Inc., owners of the Giant mine, to keep their business running with the

help of 150 replacement workers and 45 other miners who had defied their union. Warren also claimed that he was suffering from mental anguish after taking medication for an irregular heartbeat, and feared that he might be dying from testicular cancer after feeling a lump in his scrotum. He began to hear voices, he said, that referred to him by the nickname "Meat," and that urged him to falsely confess in a means of bringing the 13-month strike to an end.

Warren's defence lawyers called psychiatric experts who testified that the former miner might indeed be the kind of man who would confess to a crime he did not commit. But judging by their verdict last week, the 11-member jury was having none of that. Nor was RCMP Sgt. George McMartin, the Calgary-based polygraph expert who chaired the initial confession lines Warren during a six-hour interrogation on Oct. 25, 1993. In an interview shortly before the jury began deliberations, McMartin said: "Warren's last, during his 26-year police career, he has often felt sympathy for people who confessed to crimes that are false. 'Roger Warren is very cold, as far as I'm concerned, very cold and cold,' said McMartin. 'He's a cold-blooded killer.'"

In his original confession to police, Warren had insisted that he never meant to kill anyone. He had set the bomb, he said, to be triggered by an unmarked ore car. The second-degree murder verdict demonstrated that jurors were convinced Warren intended to kill, but that he had not planned his crime extensively. By recommending no parole for 30 years, however—double the maximum requirement for second-degree murder and only five years short of the requirement for a first-degree offence—they signalled how seriously they viewed his crime. Indeed, Mark de Weert was to sentence Warren this week.

Whether he was confessing to police, recording in court or listening to the jury's

verdict, the 51-year-old Warren rarely showed even a trace of emotion. Shabbathene Lohmeyer, a Victoria-based forensic psychiatrist who was hired by the defence to examine Warren last fall, testified in early January that Warren is the kind of man who needs to understand his feelings. "It was like pulling teeth to get a sense of this man," said Lohmeyer.

Married with two grown daughters, Warren has lived in Yellowknife for the past two decades and spent 12 years working at the Giant mine. A heavily skilled machanic and hardrock miner, he played hockey in his spare time—sometimes skating alongside one of his future victims, Norman Houine, and competing against RCMP Sgt. Terry White, who would later lead the police investigation into the mine deaths. Warren worked in the same crew as two of the miners who died in the blast. He also knew the other four dead miners who had defied their union. A strong union man, Warren was a vocal critic of the men who he derided as "scabs."

In fact, the depth of the enmities fanned against those who crossed that picket line was sometimes difficult to believe. Following the fatal explosion—but before one of his own union members was charged with murder—Barry Scotto, the then-president of Local 4 of the Canadian Association of Smelter and Allied Workers, declared that anyone who would cross a picket line was "lower than a mope." During the trial, the jury heard that some of Warren's fellow miners refused to give him an alibi for the time that he was missing from the picket line on the night of the explosion. And as his taped confession to police in October, 1993, Warren revealed how, shortly after the news of the miners' deaths, one of his colleagues said: "Look at it this way, Roger, if they weren't there, they wouldn't have got killed." Warren said that he was thinking to himself at the time, "That's—going nice for you to say."

The protracted labor dispute at the Giant mine—which was finally resolved in December, 1993, two months after Warren's arrest—also had a devastating effect on Yellowknife, a community of 16,000 on the shores of Great Slave Lake, 960 km north of Edmonton. Before it occurred, the city was known as a place where the winters were long and cold but the neighbors were welcoming and friendly. Afterward, it resembled a battle field. Riots erupted on the picket lines. Replacement workers had their tires slashed. And at the city's schools, the children of striking miners traded insults and punches with the children of workers who crossed the picket line. "Kids are learning how to hate," lamented Yellowknife's then-Mayor Pat McMahon shortly before Warren's arrest.

With last week's verdict, many Yellowfiners expressed hope that the controversy can begin to put the tragedy behind it. Said McMahon, who has now returned to private life: "Hopefully, this will give the opportunity for people to get on and get healing to begin." But for the relatives of the dead miners,

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the wounds continue to fester—and Warren's decision to appeal his conviction will keep the issue alive as the courts face months to come. By September, 1997, Just Dunder had worked at the Giant mine for 38 years and was only a few months short of retirement. Eager to finish out his career, and convinced that the strike was a mistake, the 55-year-old Dunder decided to continue working. Dunder had three children from a previous marriage, including Joe Jr., who started working at the mine just four days before his father died. Just, whose first-born son had died in a 1974 accident at the Giant mine, also had three children. They were married in 1986, after several proposals by Just. Just was reluctant to get involved again with a miner. Just promised her he would be careful, that he would not be killed on the mine.

Just says that she was determined to sit through Warren's murder trial as a representative of the men who died. "If we don't care, we wives and mothers, who else will care?" she said. She also spoke of the strain and depression that have been building since the explosion, and how she sometimes lacked the will to live. After a bad day, she explained, she lies in the bathtub and tries to soak away her sadness and loneliness. And when she pulls the plug, she hopes she will get sucked down the drain like the dirty bathtub. "I guaranteed myself that I don't want to lose this bitterness that's in me as to my kids," she said. But she feared that, inadvertently, she may do just that.

Doreen Houine's 50-year-old husband, Norman, was also a victim miner. The couple had four children, two sons from Norman's first marriage and two daughters of their own. Throughout the trial, Houine kept wondering why her husband had to die. "Why did these men families have to pay the ultimate price for the strike or lockout? It doesn't make sense," said Houine, who is still in shock. "I was a miner, I lost the ability to care what happens to himself or to others." "This has been two years of total physical and mental pain," said Houine. "The tired of feeling sick, for fear of being fired, I can't sleep."

Carol Bagg and her husband, the principal of her family when her son Shane, 27, died in the blast. Bagg, whose husband, Lawrence, died in 1982, said that Shane helped take care of her and her other three children. "If I had any problems, I just had to pick up the phone and Shane was right there," she said. "Now, I have nobody I can go to." And while her son's death was sad, she said, her family is still dealing with the horror that Warren brought into their lives. "When something like this happens, your family and kids want to go out and tell somebody 'You want to tell somebody. It's not a pretty sight. My kids' lives aren't good yet. Everyone is still hurting.'"

BRIAN BERGMAN with ALAN SAKOFF in Yellowknife

福

Canada's Chinese
celebrate the promise
of a better life

PULLING TOGETHER

On the eve of the Chinese New Year, *Maclean's* has prepared a special report on the burgeoning ties with the Middle Kingdom and some of the Chinese-Canadians who are at the centre of a dynamic drive to build a new 'golden mountain' in their adopted land



BY DAVID LAM

Once, Asians came to North America for jobs, to help somewhat rural areas. Particularly in the West, there was steady work on the railway, in landrains and in chop-suey houses. With the gold rush and its opportunity to strike it rich, this contrast became known in China as the "golden mountain."

Today, Canada continues to attract Asians, although the lure is no longer gold. Instead, they come for things that a lot of us in Canada take for granted: stability, a peaceful life, law and order, education, generally friendly and understanding people.

As one of those who chose to settle in Canada over 25 years ago, I would like to offer a brief ABC for others hoping to make a new home here.

The A is for acceptance. And that goes two ways. Prospective immigrants must be accepted by the federal immigration department. But even if the government accepts you, your peace of mind and happiness will

■ Sun Yat-sen Garden in Vancouver, a diverse grounds in Toronto's Chinatown (left), participation is key



country become "astronauts"—flying too high and fast to put down real roots or to feel a sense of belonging. They are not found just among Chinese immigrants. Some Canadians who spend half of their time in California or in Florida might also be considered astronauts. When they are asked to become involved in community service, they say, "No, but in a couple of months I will return to Canada. . . . "or, "I'll be leaving for the States."

If you want to feel that you belong, ask yourself: how much do I care about what happens in my community and related issues such as crime, a clean neighborhood, volunteering to pitch in?

The C stands for contribution. And this is the easiest thing of all to achieve. In this new country, in this new community, in this new neighborhood in which we have started to take root, commitment makes a strong statement that you belong. You can give without loving, but you cannot love without giving.

When I was initially approached to consider being nominated as lieutenant-governor of British Columbia, I turned it down. My negative side told me: "You are living in a province with a history of discrimination against Chinese. You are getting old. You speak English as a second language. Don't do it."

Fortunately, however, my positive side saw an opportunity to build bridges among people of different cultures, different ethnic backgrounds and different races. After 6½ years, I have experienced tremendous love and respect from the people of Canada as a whole, and particularly from those in British Columbia. I feel proud to be a Canadian, because I truly appreciate the quality of its people.

I was brought up in Hong Kong to be no conscious of racial differences that we had derogatory nicknames for everyone. That is no way to go through life. It is like carrying a little bit of poison in the mind. And the world is changing. The day is quickly coming when people with only one culture will find it difficult to compete, let alone to prosper.

Don't talk to me about "tolerance." Tolerating someone is like holding your breath: you are telling the world that you can hold your breath longer than anyone else. I say, let us celebrate differences—not tolerate them.

I believe in multiculturalism because it adds to our strength. The Asia-Pacific region is the fastest-growing region in the world. And it is across the ocean from British Columbia. Let us turn the people of all the races living in Canada into partners. Let us build a "golden mountain" for all of us.

David Lam is lieutenant-governor of British Columbia.

depended very much upon how you are accepted in your community.

Of course, newcomers could resist the broader Canadian community and choose to live only among their own people. But that choice is self-defeating: one becomes inward-looking, cut away from the main stream of society. There is really no way to enjoy what Canada has to offer if one lives in either a physical or psychological ghetto. So, it is a duty of sense to strive for acceptance.

There are always difficulties arising from different value systems, a different cultural style. Spending leisurely, getting things done in the quickest manner, bragging about accomplishments and wealth—all might be commonplace in Hong Kong and totally acceptable in many other parts of the world. But they are not so in Canada.

Here, we try to minimize friction between people. We downplay displays of wealth. We respect good manners. Such simple courtesies in saying good morning and thank you are daily expressions of respect for others.

The R is for respect and belonging. This is a very important thing. People who do not belong always feel uncomfortable. As with people who reside in a hotel, no matter how beautiful it may be, they are constantly reminded that they are transients.

People who divide their time between Canada and another

MAN WITH A MISSION

Ray Chan, a 'neophyte politician,' sells Canada to trade partners—and to Canadians

The learning curve for Raymond Chan turned into a brick wall at the desk of Sheila Francisco, an Asian human-rights advocate in Richmond, B.C. Chan had insisted before his election to Parliament in October, 1993, that the federal government pay cash redress to victims of the "head tax" that Ottawa levied on Chinese immigrants early in the century. After Prime Minister Jean Chrétien made him Canada's first secretary of state for Asia-Pacific affairs, and the first Asian ever elected to the Privy Council, he lobbied Canada on behalf of redress. In the end, he took his argument directly to Parliament, the minister responsible for the decision. As a Jew, Francisco had every reason to sympathize with racial justice. But Chan insisted as Francisco instead treated the public cost if the government were really to settle with cash every victim: committed to its debt over 127 years. The bill was worth \$100 million, she noted, the Canadians \$70 million, to say nothing of the five demands. "As I learned more about the history of Canada," Chan says, "I was convinced that if I have to start redressing everyone, there is no end to it."

Explaining his reversal on the emotionally charged question to Chinese constituents has been one of the most painful of the bumps that Chan has taken during his first year in a job with more profile and potential than real power. As designated cultural bridge-builder between Canada and Asia, the 45-year-old leader of two young children has dutifully logged lots of their travels of airfares selling Canada to potential trade partners in capitals and financial centers across Asia. Working to overcome an initial impression among Chinese colleagues that he was politically green, Chan has lapped per train rides within Canada, selling the U.S. government's Asian strategy to business audiences and—a somewhat tougher task—an immigrant fan return to ethnic groups.

These services to the party, and a well modeled performance at Chrétien's office during last November's highly successful Asian Canada trade visit to China, Ottawa handicrafters say, have secured Chan's job as the government settles into its mandate. But if the former exporter and restaurateur has for the most part caught on quickly to political realities, he also faces new and more sharply defined challenges ahead.

The most difficult job will be to persuade senior cabinet ministers to spend more of Ottawa's shrinking budget on developing trade with Asia. "Having made a big impact with [Prime Minister] Jean Chrétien, we have to be in there with a very big follow-up," asserts Wilfred Pankaj, chairman of the B.C. Trade Development Corporation, who is often on the phone to Chan's Ottawa office. Another critical test will be how fast Chan the politician masters his tendency to wallow when deluged by the government on subjects remote from his own portfolio. After an especially weak performance on the gun issue in front of a rising audience in November, one veteran lobbyist who helped Chan in his 1993 campaign observed, "In terms of British Columbia, there was clouds on the horizon."

There were no clouds on the day that young Raymond Chan first laid eyes on British Columbia. "It was great, just like a mirror," he recalls, marveling at his first glimpse of Vancouver, at age 17 in 1969. A year later, Chan graduated from high school and entered an engineering program at the University of British Columbia. Interrupting his education, Chan started the first of two successful restaurants in 1974. He married Maureen, his high-school girlfriend, the following year. The couple have two children, Christina, 11, and Joshua, 7.

By 1977, Chan had completed his USC engineering degree and found professionally challenging work at the university-operated TRUMP nuclear research center. Former division head Kenneth Dawson, now re-



turned, remembers the eager young research engineer as "an idealist." Said Dawson: "He threw himself into things with great force and enthusiasm, then kept going in the middle when he saw what was only going on."

Despite the lull, Chan's idealistic streak carried him into social activism. He became the chairman of a Vancouver society supporting the pro-democracy movement in China. In January, 1991, the Canadian engineer was among a small group of activists who slipped into China to contact fugitive dissidents over several days before being detained by Communist authorities and expelled. The experi-



Chan, with Austin, Maureen and Christina (left). "It's time to be more assertive!"

ence left him emotionally drained. Coming at the same time as financial setbacks in his restaurant business, a briefly typed Chan into a personal crisis. Part of his emotional rebuilding, Chan stresses, was a decision in 1991 to join the Vancouver Chinese Menstrual Institute. Chan, his wife Maureen, and their children still attend every Sunday morning when Ray Chan is in the city.

But for the past year, the family lunch that customarily follows the service has been cut short by the need to deliver Chan to Vancouver International Airport by 2:30 Sunday afternoon. He catches a flight that reaches Ottawa at 11 p.m. The return flight to Vancouver on Thursday gets him home just in time to tuck his children in for the night. In combination with the transatlantic travel that Chan's portfolio demands, it is a brutally grueling schedule. It is compounded by allergies that leave Chan susceptible to the heavy air pollution of many Asian cities, as well as to the raised hand displays that are an essential part of political hand tables at every conference. Admits Maureen, "I'm worried for Raymond's health."

Stanley was the Chan's greatest asset in overcoming the initial skepticism that he inspired in some Ottawa insiders however. "He was a complete neophyte," acknowledges Vancouver-based political communications consultant and Chan campaign strategist Ted Edwards. "He really didn't know anything about Ottawa or how the federal cabinet worked or that kind of stuff." For his own part, Chan admits that the "hugest surprise" in his role has been "the workload, the demands on my time." He adds, "Not only do you have to manage your own portfolio well, you also have to understand major government policy and explain it."

Still, Chan's willingness to do just that, often carrying an unpopu-

lar message, has begun to attract other ethnic attention. He has been an important salesman for Immigration Minister Sergio Marchi's reforms to Canadian entry rules, staunchly deflecting criticism that the changes are discriminatory. "It's easy to cry racism," Chan chides some ethnic critics. "It's less to state reasonable."

Chan has further cemented his party credits by leading, selectively, into the fray and unexcused waters of the national unity debate. In a private moment to acknowledge the advantages of remaining part of Canada, Chan traveled to Honolulu in October to lobby Asian members of the International Olympic Committee who were in the Japanese city attending the Asian Games, an event of Quebec City's bid for the 2002 Winter Olympics. "I hope this message gets back to Quebec that the Canadian government, and I as a western Canadian, are helping you out," Chan asserts.

Difficult slugging through the political trenches and sustained attention to his briefing books have begun to pay off. As cultural critic and adviser to Chan during the Prime Minister's high-profile 15-day trade blitz through China, Hong Kong and southeast Asia last November, Chan clearly impressed his hosts. Chrétien outlined the prime minister frequently, introducing him as "my cabinet expert on Asian affairs." Chrétien's confidence means that Chan will likely keep his portfolio after an expected winter cabinet shuffle.

His reward for a solid first-year performance, as a result, may be more brazen months of traveling and still higher expectations. British Columbia's Pankaj, for instance, is looking for signs that Chan can do more. "It's time to be more assertive!"

Chan will be able to rely much on his political back ground either. Although Victor Wong, a proponent of redress for the head-tax issue, willingly gives Chan an overall "thumbs-up" for his performance so far, he warns that the sensitive issue has not been ignored. "We cannot get a trade-in-Canada resolution," says the Vancouver activist. "We have to look at making a claim to the United Nations."

Meanwhile, some of Chan's hosts have expressed worry about his avowed ability to act as a spokesman for federal policies outside his own area. After angry gun owners critical of new firearm-registration proposals left his (unattended) at a public meeting in his riding in December, one long-standing adviser grumbled that Chan had "artificially embarrassed himself."

The deep cuts expected in government spending will provide ample opportunity for other ministers in the marketplace, as well as for demonstrating the hard work that is behind becoming a Canada trade mark. Still, the junior minister is undaunted. After a year of hectic immersion in the running of Canada, Chan has become an energetic seller of his country at home as well as abroad. "I find it a mission," he declares, "to bring a national perspective to the ethnic community." In a country threatened by separatism in Quebec and simplistic pressure groups almost everywhere, it is a mission that need hardly say there.

CHRIS WOOD with ANTHONY BENJAMIN in Ottawa

LIVING BETWEEN TWO WORLDS

A growing number of 'astronauts' commute between Canada and Asia



Yang: "Sometimes in the middle of the night I don't have any idea where I am!"

A flight over the Pacific Ocean between Vancouver and Hong Kong, Shanghai or Taipei now takes a mere 12 hours. But even though commuting between the two shores is relatively fast and easy, there is more than water separating North America and Asia. Lawyer Victor Yang, 48, a so-called astronaut, who regularly shuttles between offices in Asia and Canada says that he spends about 60 per cent of his time in Hong Kong and the rest bouncing between Shanghai, Vancouver and Taipei—with occasional side trips to Singapore and Europe. "Sometimes, I wake up in the middle of the night and I don't have any idea where I am," he admits.

Yang is typical of a growing number of people within Canada's Chinese community after moving to Canada as immigrants they are now spending an increasing amount of time commuting back to China or Hong Kong, in an attempt to cash in on the burgeoning business boom there. According to a 1994 report from the Chinese Canadian Association in

Hong Kong, there are currently about 80,000 Chinese-Canadians in Hong Kong and about 35 per cent of them were born in Canada. For his part, Yang was born in Shanghai, and at age 3 fled to Hong Kong with his family to escape the new Communist regime. In 1985, Yang came to Canada to attend the University of British Columbia in Vancouver and he ended up settling in the city after graduating from law school. Yang became a partner at Baughman Peterson Yang & Anderson, and since 1986 he has begun to spend more and more time travelling across the Pacific. His law firm set up offices in Hong Kong and Taipei in 1991 and by 1993, it had become the first foreign firm to obtain an official licence to practise law in China.

Recently, sitting in his downtown Vancouver office, Yang smiled as he surveyed the snowcapped mountains in the distance and the trees of Stanley Park. "Vancouver is still the home that one day I am going to come back to," he said. But, he added, "the tax system in Canada does not encourage me to work

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harder or longer. Asia is the fastest-growing part of the world, full of challenge and opportunity to participate in its vibrant activities." A calculated career move, however, does not always mesh with family life. And after trying to juggle a life in Hong Kong for a year, Tang's wife and three children returned to Vancouver in 1993. "My only regret about moving to Hong Kong is the separation between me and my family," admits Tang.

For Michael Tang, that stretch of separation is also familiar. With a freight business that operated between Hong Kong and mainland China and a real estate business in Canada, Tang, 46, regularly commuted be-

tween China, Hong Kong and Canada from 1988 to mid-1994. Then, he says, he decided to settle in Vancouver. Says Tang: "It doesn't matter how much money I can make as an astronaut—I'm just not doing it any more. My family and children are more important. They need me around." Still, Tang admits that he has now made enough money to Asia to stay in Canada and to invest at lower rates of return but with lower risk.

But for David Leung, 44, the benefits of an astronaut lifestyle far outweigh the costs. A financial investment manager, Leung has lived in Toronto for the past 20 years. But he claims that by moving to Hong Kong now,

he will be able to gain working experience that he would not be able to get in the Canadian investment industry. "Living and working in Hong Kong is like an extended business trip," admits Leung. Despite the fact that he has a wife and two young sons, Leung estimates, "If they don't like Hong Kong, they can live in Canada. It is so convenient to travel."

Life straddling the two continents, however, may be about to become more complicated. Accountant K. C. Tien, chairman of the Chinese Canadian Association in Hong Kong, says that he is already concerned about the impact of Chinese Canadians in the colony after 1997. Tien, a Canadian citizen who returned to Hong Kong a decade ago after attending Concordia University in Montreal, notes that the definition of "permanent residence" for immigration purposes differs between Chinese law and Hong Kong's colonial law. And changes under Chinese authority may affect Chinese-Canadians' rights to stay and to work in Hong Kong.

Still, some astronauts remain unfazed by the looming changes on the horizon. Henry Chen, who runs a gift products trading company in Asia, "Financial stability is more important than family stability," Chen, 55, immigrated to Coquitlam, B.C., with his wife and three children from San Francisco in 1980. In 1992, the Chen family had moved to the United States from Taipei and despite their new home in Coquitlam endured long separations while Chen continued to work on deals in Asia. But he insists that for Chinese families, separation is common because of the tradition of husbands and fathers leaving provincial villages to find work in North America.

His son, James Chen, 24, who graduated with a bachelor of arts degree in history from the University of Victoria in 1993, agrees with his father's assessment. "I have never felt that my father's astronaut lifestyle was a problem. Many Taiwanese kids do not have their parents at home all the time," he notes. Nevertheless, he admits, "my greatest problem is cultural identification. When I was asked where I'm from, I had problems answering. I was born in Taipei, but it's not really been part of my life. I couldn't say Coquitlam because I just moved there. I couldn't say the United States because I just moved away from there. So for my home now, I say we stay at that's a place with no name in China."

But for L. H. Tsang, who moved to Toronto from Taipei six years ago, the entire debate about the merits and drawbacks of an astronaut lifestyle is moot. "Family comes first," he says. He and his wife sold all their assets in Asia and, after moving to Toronto, opened a fish-and-chip restaurant. Says Tsang: "My children are much more open and lively and independent than I was at their age. I'm just glad that we've had the chance to live here."

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GAMBLING ON GROWTH

Construction engineer Alex Daiwadi and workers in the damp chill and surveys the site of his company's incubator in the China market. It is, at this moment, a particularly muddy incubator. Daiwadi has left the bare clay of the vacant lot in west-central Shanghai, where Ming Construction Co. of Montreal is building a \$250-million, 100,000-sq-ft retail and restaurant complex. The site is slick. Muddy, yellow and orange derrick drive piles into the city's muddy subsoil to support a planned 44-story office tower, the first phase of a 38-month project financed by Hong Kong investors and designed by Vancouver architect Blessett David Canada Ltd. For Ming, the company's first assignment in mainland China is a test of its ability to adapt to a new, less-gradual pace in cultural adjustment. "When you first come," Daiwadi says, "I swore there would be no bamboo on my site. Its primitive," said "After 14 months, however, his assessment of the material, used for everything from scaffolding to hard hats, has changed. Daiwadi now admires its flexibility. "It's not as easy to replace these products with other materials," he says.

blight is far from alone on the learning curve. As more and more Canadian companies flock to the former Central Kingdom to seek deals in the wake of last November's successful *Open Canada* trade mission to China—driving up agreements worth \$66 billion of potential business—the multiple challenges they face are becoming increasingly clear. "Securing the contract is the easy part," Dandaneau warns newcomers to China. "Ensuring the contract is the more difficult part." The hazards that loom is a shortage of workers and a glut of educated professionals, to the ever-widening gulf between a country's laws and its practices. Those problems are often compounded by bad ingrained Chinese assumptions and Westerners' incorrect perception of Asian business culture.

But those risks have also attracted many company executives all corresponding rewards. With 12 billion potential customers and an economy driving ahead at more than 20 per cent a year in the hottest Asian economies, China is the richest market for western companies. China is also the fastest growing market, the biggest single growth market on the planet. Indeed, "For some companies, it is stupid not to be a president of the Canadian Chamber of Commerce in Hong Kong," the most popular slogan for western companies in mainland China. The chamber's membership has grown from 25 per cent to the last 10 years of 1994 alone, to approach 1,000 companies and individuals.

Companies, meanwhile, are at least one edge over some other markets. In Hong Kong, for example, it is almost as much for culture as between East and Western people do.

*Despite the risks,
Canadian business
is banking on big
returns in China's
emerging markets*

pass. And for a lucky few, the rewards are more personal: demand for individuals with the right combination of heritage and skills has driven some incomes to more than \$200,000 a year.

Canadian waters is already active in China run a steadily widening net. One group of Vancouver investors is raising money to complete a 300-km toll road south of Beijing, while another, based in Toronto, plans to build, equip and operate two Canadian-style ski-sled areas in Shanghai and Chongqing, a city of 14 million in central China. In Jiangsu, in north China, citizens in need of a health tonic buy traditional ginseng brightly packaged in red and gold boxes emblazoned with a stylized Canadian flag; the roots are grown in British Columbia's Lillooet Valley by Lemley, B.C.-based Chou Tsai Ta Co.

Meanwhile, a growing number of telephone calls made in the construction stricken country are routed through switches made by Northern Telecom in Shenzhen, north of Hong Kong, to along fibre-optic cables turned out in nearby Shenzhen by Telco Engineering Ltd. of Richmond. "They don't all have to be large projects," observes Lucy Chew, a B.C. trade representative stationed in Shanghai. "A lot of entrepreneurs come over and just do it." Cases in point: International Bell Hobbies and Trevor Maigre cloned their two roadhouse-style Malibu's Bar & Grill restaurants in Vancouver to create a new Shanghai watering-hole aimed mainly at that city's growing expatriate community.

The rarity of any home-style bazaar, even in China's most metropolitan city, may again well stir the Vancouver diner's nostrils. For other reasons, however, the Chinese experience risks turning out more like that of Montreal-based dining giant Senguen Co. Ltd. At its sprawling redbrick and white-plaster warehouse and bustling facility southwest of Shanghai, a limp Canadian flag lops down on neatly stacked flower beds and an empty parking lot. Inside the echoing facility, one drunkened rown holds 12 obscurest stews

steel tanks, each capable of holding 20,000 litres of the first beverage that Seagram tried to market in China, a wine cooler named Ping Lu. "The product was not successful," admits director of operations, James

Since dryly, adding, "The consumer was never really sure what it was. After three years of disappointing sales, Seagram gave up on Ping Lu in 1993. According to Stone, the company is now "a little overdone with a more conventional line of liquors. But after five years in China and a cost of \$8.5 million, Stone also admits that "we may still have five more years of learning ahead of us."

Misreading Chinese consumers is a real risk of doing business in the world's hottest market, other risks are even more fundamental. Most Chinese elites, notes Macdonald, "power brown-outs are frequent. Getting data will be a problem. Getting a phone can be a problem." Other critical business inputs can also be in uncertain supply. "We're never going to have 100 per cent of our needs available," acknowledges Mallon's Blazes. "One day, we may have everything we need to make pizza. The next day, mozzarella cheese won't be available for three weeks."

Thus, there is the guessing uncertainty about whether a contract signed in China can be relied upon. For many, the blunt answer is No. "It's not uncommon," observes James Che, a Chinese-trustee lawyer who works for the Canadian firm of Boughton-Peterson-Yang Anderson in Shanghai, "for the Chinese partner to supply you with documents in which the terms are not compatible in Chinese and English." Moreover, if a dispute develops over what Che calls the "very loose" language typical of most Chinese-drafted contracts, Western investors are handicapped in seeking a resolution. "Foreign lawyers," he notes, "cannot represent their clients in the courts."

■ **Eng:** "The next time, if there is a next time, Canada will not be so

The apparent α_{H2O} reflects a



GOING FOR BROKER

In the heady 1980s, Andrea Eng was one of the most flamboyant of Vancouver's beautiful people. Chausfuzing money's real-estate clients around town in a gold-colored over a sterling silver car service, the period sold more than a half a billion British Columbia—mainly to Asia. Vancouver-born one-time Miss Canada career into high gear. Activating a speed during a decade of sailing on King-based Richard Li, the son of a private fortune in property investment, 38th floor of Hong Kong's Citibank with views of New York City. London

Of her native land, Eng, 35, says "Canada is really a lifestyle. The tax system and the style of business do not permit getting rich, at least by Asian standards. If you are a business person, then you are going to have to come to Asia to play." At the same time, she bitterly blames some of the brazenly overconfident Hong Kong insurgents who seem to have ceased in the late 1980s for their own failure to flourish there. "They tried to do it 'Hong Kong style,' and they didn't win."

That, she predicts, may limit how much Canada stands to gain from any future influx of Asian capital. "The opportunity that was available last Monday, is not still available this Monday," says Ong. "Between 1986 and 1991, we were so lucky as Canada to have this opportunity to



The still-unseen progress of understanding between Asian and North American business cultures, for one thing, has created a growing demand for people, many of them Canadians, whose heritage bridges Chinese and North American ways of thinking.

It is a profitable role that Vancouverite Eng believes her home town is enabled to do better than the rest of the country—particularly forests, where, she claims, the Establishment maintains its grip on society. Eng adds, however: "The Establishment at Vancouver is doing everything within its power to Atlantic itself."

At the same time, the small counter-side of people returning to Asia to "play business," as the poets say, has not been accompanied by a counter-flow of capital. "Most are long-term players," observes King. "Orientalists who went from Hong Kong or Singapore to Canada may have come back to do business. But they have not saved their fees, or how they moved their capital back."

For her part, Eng is clearly enjoying the perpetual fast-forward pace of *Hong Kong* too much to reconsider her year-old move. "I would love to do the same job that I am doing now, only from Canada," she muses. She adds: "... when I don't want to play business any more." But she puts the impression that that moment will not be soon.



✶ **Building street in Sarajevo: Canadians have a competitive edge**

most frustrating obstacle to a transaction, Chinese heritage can sometimes help to lubricate a deal. In a study released earlier this month, the federally funded Vancouver-based Asia Pacific Foundation described the nation's estimated 388,850 Chinese Canadians as its "golden advantage" in competition for China's busi-

dimension of the cultural gap between China and the West that is seldom raised in the Indian rhetoric of trade diplomacy: the country's habitual suspicion of—and willingness to exploit—foreigners. Based on a 5,000-year history of isolation that once benefited outsiders as "for eign devils" and "barbarians," xenophobia persists today, even as Chinese consumers eagerly snap up American-made Marlboro cigarettes, European luxury leathers and Western-style fashions. In most independent expressions is a pervasive doublethink in private and anonymous that typifies negative's attitude like term names language and includes ethnic Chinese from outside the People's Republic of China) to pay up to twice what a local would be charged for anything from an airline ticket to a kilogram of pork.

A lingering distrust of outsiders is evident as well in the tight grip that Chinese authorities maintain over much basic economic data.

"At the Shenzhen stock exchange," says Brian Pinner, a Hong Kong-based Canadian journalist who publishes a newsletter tracing China's market securities markets, "they have a press conference and reporters are not allowed to ask questions. Not only that, they're not allowed to take notes." Shadowy diffusion also characterizes many of the so-called "company rules"—virtually all state-owned in one way or another—offering themselves to joint-venture partners to Western investors. It is not uncommon for foreigners to spend weeks negotiating with a Chinese counterpart, only to discover that the individual lacks any authority to conclude a deal. Indeed, in at least one instance that Vancouver architect Wilbert Dodd secured in China, says partner Selwyn Doid, "we have absolutely no idea who our client is."

Misrule still is the extent of blatant corruption in China. Two apartment towers in downtown Shanghai have sold empty for eight years, goes an uncodified story, because their owners refused to give one of the living units to the local gov authority—which retaliated by locking the buildings up to a one-inch gap from the rest of the required four-inch gap. By some accounts, the scale of bribes being demanded has increased in recent years. "It's not a gold watch any more," observed one extra-Ambassador from Hong Kong. "It's a Harvard MBA and a Mercedes." But other observers call the problem overstated. Says Bin Liu, a Shanghai-based Canadian architect who works for Robert Doid to secure permits and approvals from that city's building inspectors. "They don't want very much, maybe take them to dinner at a Karaoke bar," adds Liu. "It's not corruption."

Underlying some misunderstandings between East and West, however, are real and enduring differences in culture. While the West, especially in North America, relies on the rule of law and contracts to rely in the behavior of a society of aggressive individualists, Asian culture, steeped in Confucianism, leans heavily on the unstated obligations of family and personal networks. "In China," says Willow Liu, Magill's local general manager in Shanghai, "we say, 'First you become friends, then you do business.'" Adds Songrui's Steve. "If you get to know people and you make a deal, you don't need a contract. That deal is solid."

Establishing that critical *guanxi*—Chinese for a good working relationship—is made easier when at least one member of a Western business team has Asian roots of their own. And it is no accident that many of the most successful Canadian ventures into China are led by people whose own backgrounds are in that country. Notes Triola's Jack Mac, who immigrated to Canada from south China with

his family at the age of 7 and was raised outside Toronto. "I take full advantage of having grown up in Canada and understanding China as well." It is an advantage that many more Canadian companies could serve. Noting that Chinese is the third most common mother tongue in Canada, the Asia Pacific Foundation, in a report issued on Jan. 13, declared Asian Canadians to be "a strategic business resource," for their cultural knowledge, language skills and trans-Pacific business contacts.

As with any other community, however, seeking demand for the right combination of heritage and skills has driven up the price. "Ninety per cent of our business is ethnic Chinese placements," notes Minnie Wu, the San Francisco-born Shanghai representative for Paul Ray Bernheim Ltd., a Texas-based executive search company. But with an ever-growing number of companies competing for a limited pool of qualified individuals, Wu adds, "competition packages have to be fairly aggressive. The total package will easily reach \$240,000 a year."

Not even the most culturally astute of executives, though, can defend a company strategy against other risks of operating inside a nation of 1.2 billion people trying to shake off communism at the same time as they catch up with First World living standards. Although most observers discount the likelihood that future leaders in Beijing may try to reverse the current policy of reform, economic forecasts for China are not universally rosy. Among the several threats, say one of which could derail the country's hectic growth and disrupt foreign investment flows include, now raising at close to 30 per cent in several regions, attempts to curtail inflation by limiting central government lending or closing down unprofitable state corporations; failure to repay the huge debts being run up by China's massive investment in infrastructure, an environmental crisis quickly a reality based in an over-polluted country whose major cities are routinely shrouded in smog; or, political upheaval following the death of 86-year-old aging paramount leader Deng Xiaoping. With these clouds gathering on the horizon, asserts IBC Trade Development Corp. president Ursula Esch, "the risk of doing business in China is increasing, and it is increasing exponentially."

But, in the eyes of many, are the opportunities. "You have to show your commitment to China," observes Marc Sterling, The U.S. largest superbrand MasterCard Financial's campaign to reenter a market it first tried to crack a century ago. The Toronto insurance company made its first policy in Shanghai in 1885. But it fled the city—in the face of advancing Japanese armies—in 1945. To win its way back, MasterCard reopened offices in Shanghai and three other Chinese cities over the past two years, even though Sterling does not expect to write another policy in the country until early 1996. Even so, if that investment secures the company's chance to sell employee life and life insurance policies to over a fraction of China's 1.2 billion new consumers, he predicts, "that will keep us busy for the next hundred years."

China, in fact, has always been a long-term and risky play. Marco Polo, who got there by cruel canoe across central Asia, spent 20 years amassing the fortune in diamonds and supplies that he brought home to Venice sewn into his clothes. Seven hundred or so years later, the Celestial Kingdom still demands endurance, at the very least, from its visitors, before it gives up its secrets.

CHRIS WOOD in Shanghai



China: all stars of business are making plans in Shanghai

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LIFE OUT OF THE FISHBOWL

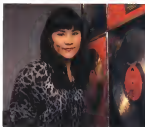
The small, nondescript factory building is scarcely distinguishable from its industrial neighbors. The paint is peeling in places, the windows are grimy. Inside the utilitarian front office, salesmen with lead-lens and plastic nametags suck back strong coffee and talk prices on the telephones. It is a business as usual at National Windows Ltd. of Surrey, B.C., a suburb of Vancouver. Then, "the face" walks in and proffers a business card. Incorporated on the card is modest script: the name Bill Chan, company president. The fact, on the other hand, is that millions of Chinese fans would howl ecstatically by another handle: Chan Sek Shua, the star of dozens of Cantonese films and TV shows. The sense of split personality is one that Chan, 46, has related since he moved to Canada five years ago. Although he still attracts autograph-seekers whenever he ventures into Vancouver's Chinatown, Chan insists that in his new life in Canada, "I am a real revision. I'm not an actor."

Chan may have taken his career make-over more seriously than most, but he is far from the only high-profile star of Hong Kong's booming entertainment industry to trade glossy publicity for a quieter, more secure life in Canada. Among other Chinese show business celebrities who have put down at least a few roots in this country are veteran lounge act singer Billy Leung, big-screen heartthrob Leslie Cheung, pop singers Annabelle Louis and Anita Mui, and Hong Kong television personality Chang Ha Wu.

Former screen starlet Leung decided to move to Canada in 1986 because she wanted to know what they had been doing a real in Vancouver's Expo '86. "We chose a city where we could have a peaceful life," Leung said. "We can feel food we like, the weather is good and it's close to Hong Kong." The veteran of more than 30 action films originally planned to retire after moving to Vancouver. Instead, when media Leung was persuaded to host a video aimed at helping newcomers from the British territory to adapt to Canada. The actor's own answer to employment has been buying Chinese-language electronic media, at first as a host on Calgary TV (now Telewest), and for the past year as Mandarin program director for Vancouver radio outlet CIOB.

Other transplants have found it much harder to start new after stepping out of high-profile careers in Asia. Among the first to do so was Chang Ha Wu, who in 1983 abandoned a 15-year career acting in Cantonese costume dramas, ready for television, to come to Canada.

Chinese stars find privacy and new roles in Canada



Chow Lone (below): The entertainer is finding that life in Canada brings a slower pace as well as the opportunity to participate in the emergence of Canada's Chinese-language media.

"I was worried about the politics after 1987," she acknowledged, adding, "I figured if I was a Canadian citizen, then I could go back to Hong Kong anytime. I wanted to." But Chang's game plan went awry when she discovered that Canadian real estate would never appreciate at anything close to the rates she was familiar with back in Hong Kong, where property values can double in five years.

Chang then began studying for a real estate license, convinced that the international prominence that Vancouver was gaining from the Expo '86 world's fair would lead to a Hong Kong-style Asian rush to invest. Learning property buyers proved to be vastly harder than learning laws, which she well-known came and lost were instant advantages. She earned about \$250,000 in commissions last year.

Annabelle Louis had similarly mixed early success after she moved her back to a cooling stage career in 1988. She had cut 10 albums with Polygram, scoring a handful of singles to Asian Top 10 charts. But Louis had also begun to tire of performing in Hong Kong's celebrity showbiz. Her first venture in Canada was two days as a hostess, neither of which flourished. Louis closed shop last year. But still, as she helps her husband, Jeremy Lau, run his travel agency, Louis continues to revel in her relaxed Canadian lifestyle. Among the pleasures of her new home: walking the streets without worrying about tea.

Chan Sek Shua, by contrast, has managed the transformation from box-office draw to minor window mogul with the immersion of a method actor. "I knew nothing about selling, but the former actor didn't mind. He showed employees by rolling up his sleeves and joining them on the production line to learn. 'I got a lot of rats,' he recalls. But he has also prospered: his company recently acquired its third factory. And Chan has spent most of the past three months back in China—financing up-business.

ROBIN ARSLOD in Vancouver



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VISION FROM HELL

'This is like after the Second World War,' said one quake survivor

WORLD

Bridges, train tracks and elevated highways collapsed, sending hapless passengers plummeting to their deaths. Apartment buildings crumpled and fell, crushing terrified occupants still huddled in their beds. Next, fires raged through the ruined city, incinerating people trapped under towering heaps of rubble and smoldering charred structures scattering the safety of smoke-filled, buckled streets. A vision from hell? That is how many residents of Kobe described the earthquake that struck central Japan at 5:46 a.m. on Jan. 17, rumbling across Honshu Island from the Pacific Ocean to the Sea of Japan. "Our world exploded around us here," said Dennis Doocot, a former Vancouver-area resident teaching in Kobe. "It's just as though a bomb had gone off." But as calamitous as the problem tremor was, the fact that it occurred before the morning rush hour almost certainly spared many thousands of additional lives. "If the earthquake had occurred a couple of hours later, it would have been a massive, chaotic disaster," said Yoshiko Kawata of Kyoto University's Disaster Research Institute.

As it was, the 30-second jolt took a heavy toll. More than 4,500 people were killed, with another 35,000 injured and 360,000 left homeless. Most of the casualties and damage occurred in Kobe, an international port city of 1.4 million people, including some 1,300 Canadians. The quake also shook Osaka, Japan's second-largest city, and the sacred capital of Kyoto. Adding to the anguish of survivors was a government warning that a strong aftershock was likely to rock the quake zone within a month. After surveying the devastation in Kobe, a clearly shaken Prime Minister Tomiichi Murayama said "I have seen nothing like



A grandmother and child huddled for warmth in the rubble after the quake.



A Kobe man watches his quake-strung 200-pound suspension bridge-to-Osaka highway (above) and his building may take years

is. This is for the real anybody's inscription."

In fact, the Kobe quake gave Japan's worst natural disaster since the 1923 Great Kanto earthquake, which claimed 143,000 lives at Tokyo and Osaka. Since then, the island nation has lost several billions of dollars in early warning systems and sophisticated construction techniques aimed at ensuring that 50-story skyscrapers survive even the biggest shocks. And with nearly 11,000 buildings in Kobe, in ruins, and tens of thousands severely damaged in the quake zone, construction experts were faced with the question of why the destruction had been so drastic. During a reconstruction mission in Tokyo, Masuyama pledged a major revision of the nation's disaster policies. Among other things, the government will upgrade its capacity to forecast earthquakes and analyze collapsed buildings and cracks on the country can make its structures more resistant to tremors. "It is imperative that we rethink and reconstruct our disaster relief policies for the whole of Japan," he said.

Experts had been warning for several weeks of a major earthquake in central Japan, one of the world's most active seismic hot spots. Nearly 1,900 tremors of varying intensity ripple through the country's islands each day, and more than 200,000 Japan are have been killed by quakes since the turn of the century. Last year alone, there were several quakes bigger than the one in Kobe, which registered 7.5 on the quake-scaled Richter scale. But these quakes spared sparsely populated areas of the island. Indeed, when a quake measuring 7.5 hit the Ryukyu Sea off the city of Shikoku in northern Japan on Dec. 30, only three people were killed.

The Kobe quake also heightened fears in the Tokyo area, which has been struck by major tremors roughly every 70 years over the past three-and-a-half centuries—the last one in 1853. Japan's capital region, home to some 30 million people, is situated on the Kanto Plain, where there are active faults and rising groundwater. Experts predict that the level of death and destruction from a big quake in Tokyo would be far worse than in Kobe. Much of the capital's industry has been built on landfill that would likely liquefy during a major tremor. In addition, the city is honeycombed by underground gas lines that would rupture and lead fires; its maze of narrow, congested streets would hamper rescue efforts, and many of its older high-rise buildings have not been



Rescue workers in Kobe comb a woman's injuries after survivors complained of slow government response.

quake-proof. Using a computer simulation, the Tokyo Police Defense Agency predicted last week that an earthquake as intense as the Kobe tremor would kill or injure some 67,700 people in the capital region, cause 1,000 firms and destroy 1.84 million square yards of property in one hour.

More than 72 hours after the quake rocked Kobe, most residents were still without electricity, gas and water. Fires continued to burn and new flames broke out in damaged buildings sparked by power surges and, in several cases, by insurers digging for survivors near broken gas pipes. City officials warned repeatedly of the danger from aftershocks and poor weather conditions. And some experts predicted that reconstruction would take months, if not years, at an estimated cost of \$65 billion.

Comparisons of a slow government response to the crisis, many survivors led the city on foot and in cars, clinging to secondary roads cut off by landslides with newly built Osaka. Hundreds of thousands of others packed into overcrowded centers to escape the winter cold, the strain of attending closely shivering. Outside one such center, a school principal, an elderly man stood shivering in a blanket, tears running down his cheeks. "This is like after the Second World War," he said. "We all lived so much. I am too old to suffer the same fate once again."

ANDREW BELLARD with SEVERIN KAMRAT in Tokyo

Waiting for the Big One

Just that the Kobe earthquake occurred a year to the day after Los Angeles residents awoke to their ever devastating tremor on Jan. 17, 1994, can only be described as a bizarre coincidence. But the two crises share more than an anniversary. Among those killed in the Kobe disaster was a 24-year-old American from the San Fernando Valley, Jennifer. Jennifer Wang had moved to Japan to teach English. Only one week before last year's California earthquake, which leveled buildings, severed freeways and killed 61 people. Last week, she was crushed to death when the second story of her suburban Kobe apartment collapsed.

Kobe's earthquake put a damper on the "Yogi" events planned to mark the anniversary, many of which were intended to highlight the city's success in recovering from the quake. Still, President Bill Clinton arrived for four days

and visited neighborhoods. And Mayor Ryukichi Kuroki mounted a billboard congratulating Clinton on surviving America's most expensive natural disaster. "You can shake L.A. but you can't break it," the sign proclaimed.

In fact, many residents remain deeply shaken. Although freeways and houses have been rebuilt, and neighborhoods sprang up with a massive infusion of government funds, 17 neighborhoods are still officially designated "ghost towns" because of the number of unsafe and abandoned buildings. And because the human toll, the Northridge quake has raised concerns about the safety of modern, steel-framed buildings. So far, no 120 buildings have found cracked beams, twisted joists, buckled steel or loose walls in more than 120 buildings, ranging from two-story office buildings to 25-story high-rises. Officials are still trying to determine whether they should

be changes to current construction codes.

Meanwhile, a surge of new information about the city's vulnerability to tremors has added to the public's unease. Only two weeks ago, a team of seismologists and geologists from the Southern California Earthquake Center released a report concluding that the dangers of massive quakes in the area are much greater than previously believed. Instead of one major fault, the San Andreas, there are some 300 known fractures. Still, earthquake geologist James F. Dolan. "We are looking at a hazard we really have not appreciated before." Moreover, the frequency of minor tremors in Southern California has risen dramatically in the past decade, from about 10,000 a year to 30,000. "And we have more big quakes as a percentage of the total," said Lucile Jones, a seismologist at the United States Geological Service. West benefits. California, at risk, is the thought that the world is yet to come.

JOHN CRONIN in Los Angeles

POLITICS, ITALIAN STYLE

Italian prime minister-designate Lamberto Dini formed a new, bipartisan government to replace Silvio Berlusconi's conservative coalition, which collapsed on Dec. 22 after seven months in power. But in a sign that Italy's political crisis is far from over, Berlusconi said that he would not support the new government, which faces a confidence vote in both houses of parliament this week, unless Dini agrees to an early general election.

A BLOW TO THE DEFENCE

At a pretrial hearing in the O. J. Simpson case, Judge Lance Ito ruled that the prosecution can introduce evidence that Simpson repeatedly abused and beaten his ex-wife Nicole, prior to her June 12, 1994, murder. At the trial, which begins this week, the prosecution will attempt to prove that the killings of Nicole and her friend Ronald Goldman were the culmination of a long history of abusive behavior by the former football star, who was charged last July.

TB ON THE RISE

A new report by the World Health Organization and the U.S. Centers for Disease Control and Prevention warns that tuberculosis may kill 30 million people this decade. About 30 per cent of all new TB cases occur in developing countries, with the highest infection rates reported in sub-Saharan Africa and southeast Asia. The study said that, among others, "TB is the world's foremost cause of death from a single infectious agent."

ROYAL VAIL CONFESSIONS

Prince Charles's sister admitted to giving a meekling to a tabloid couple of photographs he took at one of the prince's homes. The News of the World quoted Ken Storch as saying he said to avoid Charles's muddy pajamas after the prince slipped on stairs last week in Canada. Parker Bowles, his alleged mistress, while his wife, Diana, was sleeping. Although Storch later acknowledged giving the paper photographs taken at Charles's country estate, he stated that the stories about Charles' cohabiting with Parker Bowles were untrue.

REBELS SEIZE FOREIGNERS

Rebels in Sierra Leone captured at least seven Europeans in two separate attacks on foreign-owned mines. According to a Western diplomat based in the West African country, the rebels have threatened to start killing hostages unless other hostages are set free. The rebels' government of Capt. Valentine Strasser.

World NOTES



STONE AGE ART: In one of the archaeological finds of the century, French officials discovered an underground cave covered in 300 paintings that date back 20,000 years. The prehistoric depictions of lions, reindeer, rhinoceros and other animals, in a grotto near the small town of Vaux-Pont-d'Artois in the Ardennes region northwestern of Avignon, are comparable to those in the world-famous caves of Altamira in Spain and Lascaux in France.

Turning point in Chechnya

A Russian flag flew above Gromy's last presidential palace last Thursday after a three-week battle for the headquarters of the Chechen resistance. The Chechens abandoned the towering building, a concrete block at the end of Avarkhanche Street, which had taken countless lives from shells and rockets since Russian troops launched a New Year's Day offensive against the capital of secessionists Chechnya. In Moscow, Russian President Boris Yeltsin declared the military campaign "effectively over."

But a senior Yeltsin aide, Georgy Isakov, acknowledged that the conflict in the fiercely independent southern region could drag on for years. And Western military co-opts in Moscow said that they saw the fall of the palace as merely the end of the first phase of the Chechens' conflict, signaling the start of a long, 10-year-old guerrilla war in the Caucasus mountains to oust the Russian invaders. Indeed, forces now battling around the capital of week's end, with media reports that Chechen nationalists were fighting back with new tactics.

Rumors of demise

Rumors were swirling last week about the health of the man who has ruled China for the past 16 years. In Hong Kong, one newspaper reported that Deng Xiaoping, 90, has been in a coma since December. Another, quoting Chinese sources, said that he had suffered a stroke and is now in a "near-vegetable" state. The official word from Beijing was never as bleak as a foreign country spokesman said that Deng was, "generally speaking," in good health "for a man in his 90s." Even so, it was the first time that a senior Chinese government official had acknowledged, if only by implication, that Deng was not entirely healthy.

MARTIN'S BIG PLAN

BY MARY JOHNSON

Finance Minister Paul Martin, it was a disturbing—but perfectly timed—crisis. As his fellow ministers filed into the cabinet room last week for their periodic meeting on the upcoming federal budget, they were already grimly aware that the Canadian dollar was, once again, sliding on international markets. After lunch, when they called their offices, they learned that the dollar's plight was headline news—and that interest rates were heading upward. It was enough to quell the few remaining ministers who questioned Martin's tough package of proposed spending cuts and tax increases. The discussions were calm, almost resigned. The cabinet unanimously endorsed Martin's package. Unless interest rates increase precipitously over the next few weeks, forcing the finance minister to request further tax hikes, the Liberal government came away convinced that it now has the broad outlines of a plan to reach its deficit target. "There is a shared collective mood that tells now," a senior Liberal aide says. "There is a real sense that, whether we like it or not, the day of reckoning has fallen on us. We have to get the situation under control."

The cabinet's plan constitutes an extraordinary package—if only because governments have traditionally been hesitant to make sweeping spending cuts. The plan is designed to ensure that Ottawa reaches its key deficit target of \$35 billion in 1996-1997—up three per cent of the gross domestic product. Despite an economic circumstances, the deficit could even be slightly below that target. Martin's has learned that the cuts, which are staged to cover over missing payoffs, will cause enormous shocks out of the departments of industry, transport and agriculture. Ottawa will also have to move to cut costs for such services as law enforcement and social insurance benefits. It will reduce unemployment insurance benefits. It will likely increase

its so-called clawback of the old age pension from wealthy seniors. And it will redesign its transfers to the provinces, covering much of the money for postsecondary education into student loans. The remainder of that education transfer will be combined with the transfers for welfare and health into a single "block fund."

Taxes will also rise, by a still-undetermined amount. Investors say that, prior to Christmas, many cabinet ministers and backbench MPs wanted to rely heavily on tax increases to cover the growing cost of interest payments on the federal debt. After meetings with their constituents, however, they concluded that such increases might provide an open tax revolt. Instead, the cabinet has now opted for an increase in the tax on the capital of large corporations and a surtax on high-income earners. It is tight-crook tax credits, such as those for research and development. And it is likely to raise gasoline taxes. Already, seniors say, the ratio of spending cuts to tax increases is higher than the finance minister's recommendations of 8:1. But the taxation package is not yet settled. If interest rates appear likely to rise, cabinet will have to revert to further measures such as even higher gasoline taxes. As former senior lieutenant Arthur Knepper told *Macleod's*: "To do cuts has involved a tortuous process that has run for months and included consultation with stakeholders. The only way that you can ease out money fast when interest rates are off the scale is to go to the tax system."

The major question, however, is whether such action will be enough to soothe the pri-

Ottawa plans major cuts in health, welfare and education—and some taxes

mary financial markets. Even though Prime Minister Jean Chrétien emphatically maintained last week that his government would meet its deficit targets, the dollar continued its rocky ride. Several days later, as Christmas began, an 11-day trade mission to the Caribbean and Latin America, Bank of Canada governor Gordon Thiessen urged Ottawa to "put government deficits and debt onto a more sustainable track"—and he repeated

his pledge to control inflation. Despite such warnings, the dollar was north only 73.25 cents (U.S.) at the week's close. To shore up the dollar, the central interest rate on 90-day commercial paper was 8.5 per cent, more than 130 basis points above the week-one savings rate of 7.2 per cent that Martin learned only last October.

Such economic instability may prod Martin to advance the date of his budget from its cu-



Martin's tough spending cuts come with tax hikes

ried release on Feb. 28 to early February. Liberal insiders say that the minister has concluded that assurances are no longer enough. The federal debt is almost \$500 billion. That crippling debt has left Ottawa at the mercy of the financial markets, even a single percentage-point increase in interest rates adds \$1.2 billion to the annual deficit. "We estimate that the federal government now needs to cut about \$10 billion to \$20 billion over the next two years to meet its targets," says Ted Cathcart, chief economist for J. P. Morgan Securities in Canada Inc. "We are going to have to see what they have come up with, and judge them, before some degree of confidence comes back." Even then, Ottawa may not be out of the fiscal woods. "I think what people are looking for is not only how we get from here to a \$25 billion deficit, but how we get from there to a balanced budget," adds Warren Jovan, chief economist at the Bank of Nova Scotia. "Markets are not in a 'hell or no' mood. They are in a 'show me' mood."

Martin's has learned that Ottawa is considering the following spending cuts:

- The federal government contributed \$62 billion to the provinces in 1994-1995 for postsecondary education. Almost \$3.3 billion of that amount was in the form of tax points that is, Ottawa allowed the provinces to claim a tax credit that the federal government used to take it. The remainder—about \$3.3 billion—was in cash. But Ottawa has a problem. The value of its revenue is growing—because the economy is growing. As a result, the remainder of the transfer, Ottawa's cash contribution, is shrinking. And that means that Ottawa's choice to play a role in postsecondary education is also shrinking.

To make that role, Ottawa plans to convert much of its cash contribution into student loans in 1996-1997—although the provinces will continue to receive a portion of the funds. Students would only repay the loans when they enter the workforce—and their payments would be tailored to fit their income. Ottawa would save money because it would take several years to lose the entire amount.

- Ottawa uses the same funding formula for

health care with uses for postsecondary education that is, \$8.1 billion in tax points and \$7.2 billion in cash in 1994-1995. Because the value of the tax points is growing, the value of the cash contribution is diminishing. But if Ottawa wants to reduce cross-Canada standards in health care, it needs to retain its financial clout. Accordingly, the federal government plans to combine three transfer programs in 1996-1997: a small portion of the postsecondary education funding, health care and the Canada Assistance Plan, which pays 50 per cent of eligible provincial welfare costs (\$7.4 billion in 1994-1995).

Ottawa's new contribution to the provinces would be less than the \$16.6-billion sum of the current plans. In last year's budget, Ottawa voted to top \$1.5 billion from 1996-1997. Federal students now say that the savings will be much higher. In return, Ottawa reasons, the provinces would receive a stable, no opposed to an ever-diminishing, source of health-care and education funds. They would also be given greater leeway in their design of certain programs. provincially, for example, would be allowed to expeliate that need unless major recipients must perform community service.

- The federal government is going to make its fees for a wide range of services. The fees for ferry services will be raised to cover much of the \$110-million tab. Provinces will also see new fees to cover capital projects at airports. Commercial and recreational fisheries will pay more for licenses. And prospective immigrants will face hefty application fees to access to recover a portion of the costs of processing them—and the \$246-million tab for medical and business assessments.

- Ottawa will make sizable cuts, perhaps as much as \$4 billion, in the \$15.6-billion unemployment insurance program. Liberal leaders say that Human Resources Development Minister Lloyd Axworthy is convinced that 14 programs have created a "policy-induced inefficiency" that is the structure of the UI system has encouraged workers and firms to tap it regularly as a source of funds, which means, in turn, that workers do not move in search of full-time work. Axworthy also accuses that the public is behind him. His tough speeches have in growing—placed, and recent federal polls show massive public support for the concept that social-policy reforms should save money. As a result, the budget is likely to reduce the period for which workers receive benefits or the amount of their weekly benefits. It might also increase the number of weeks of work that are required to qualify.

- Ottawa will spend \$286 million on benefits for the elderly in 1996-1997. The basic old age pension, which goes to all Canadians who are 65 and over, is "clawed back" from wealthier recipients at a rate of 15 per cent of individual income more than \$23,133. The full pension is recovered when an individual earns just under \$84,000. Liberal insiders say that Ottawa intends to increase the severity of the claw-back provision so that more seniors are recovered

from Canada's weather taxpayers. (The draw-back period \$400 million in 1994-1995.)

• Spending cuts will affect most departments. Ottawa will cut the \$2.5-billion budget for foreign aid, slashing at least 10 per cent over two years. It will trim the \$2.9-billion budget for cultural programs, including about \$130 million from the Canadian Broadcasting Corp. Although Martin's last budget lopped \$7 billion over five years from the defence department's budget, it is almost certain that Ottawa will implement at least some deeper cuts, including a continued reduction in headquarters personnel and resources by 1998, a \$65-million reduction in the procurement budget over the next 15 years and further reductions in civilian staff, from 25,000 to 20,000 in 1998. Although the white paper did not put a price tag on these cuts, insiders estimated that the 1994-1995 budget of \$19.8 billion could face extra cuts of up to 10 per cent over five years.

• The budgets at three departments—agriculture, transport and industry—will be severely trimmed. The operative word at transport will be "cooperative"; that is, bodies must cover their costs through user fees and better business practices. Ottawa will lose the 26 airports that carry 64 per cent of Canada's air passengers. It will "cooperate" with the St. Lawrence Seaway and some Coast Guard functions. Most of the \$800-million subsidy for the rail transportation of Western grain will be jettisoned. Atlantic air rights in bidding will be trimmed. More socioeconomic branch lines will be closed. The \$300-million subsidy for passenger rail will be slashed. As Transport Minister Doug Young has warned: "The national dream of iron, horses, steel rails and steam is dead."

The industry department will be heavily hit. A vast array of subsidies, including the \$220-million Defence Industry Production Program, will be curbed or abolished. The department's 2001-02 budget will be cut to \$4.5 billion over the next five years—with a loss of 1,000 to 1,500 jobs. The regional agencies, however, such as the \$200-million Atlantic Canada Opportunities Agency, may survive. Regional ministers such as Accessibility and Government Services Minister David Dingwall have apparently argued that their regions deserve to keep such agencies—because they were already bearing a heavy burden from the spending cuts. If they win their battle, funding levels will simply be cut—and future grants may be converted to loans.

The \$2.3-billion agriculture budget will be slashed by one-fifth, leaving a portion of the \$217-million direct subsidy to dairy farmers. The fisheries department will be reorganized into a new oceans department, which will in-

clude the Coast Guard. As last fall's defence white paper predicted, the Canadian Forces "will devote a significant number of flying hours and ship days to fishery patrols." That, in turn, will allow Fisheries and the Coast Guard to retire several vessels.

• The cabinet is still divided on the issue of whether to withdraw from the areas of forestry, mining, tourism, housing and recreation. Although Ottawa has always conceded that the provinces have the right to legislate in those fields, some ministers argue that any



Chrétien is expected to meet targets

drawal. Insiders say that the cabinet is united—so far—because Martin held lengthy one-on-one talks with ministers whose departments were severely affected, such as Industry Minister John Manley. They also say that he was sensitive to caucus and cabinet concerns about equity in response to large increases in bank profits. For one, the budget will increase the tax levied on corporations with more than \$30 million in capital. The increase could raise about \$800 million in new revenue. Ottawa will also slap a surtax on high-income Canadians.

The government also has a few tricks up its sleeve. Some Liberals are hoping that tax hikes will be far worse than anyone imagines—so that taxpayers will feel relieved on budget day. In particular, they are hoping that there may be an across-the-board increase in middle-class taxes, perhaps a percentage-point increase in one of the three tax brackets. That scenario is actually unlikely—unless interest rates go through the ceiling. The government is also debating measures to put some good news in the budget: an increase in the Child Tax Credit of \$1,000 for lower-income recipients or a boost in the Working Income Supplement, which adds up to \$800 per year to families earning between \$2,700 and \$28,901.

But Martin has more than politicians to worry about. If the tax increases are too high, the money machine could keep the dollar on a downward slide. \$7.5 billion in Canadian debt matures in the first two weeks of March. Says J.P. Morgan's Cernichau: "The tendency in the financial markets is to believe that deficits only really come down when expenditures are reduced—and that tax increases, of which we have had many over the past decade, have not contributed much to deficit reduction. They just reduce the pressure on the government."

Martin must also worry about the unemployment. Canadian taxpayer who has heard government promises to control the deficit for years—with few results except higher taxes. Dionne Deleo, the vice-president of the Toronto-based polling firm, Envision Research Group Ltd., says that the Canadian mood will be "bleak" if Martin continues massive spending cuts and whittling tax increases. If, however, he limits tax increases, the public may embrace the tough medicine. "Canadians have heard that it is important to reduce the deficit for quite a long time—and it has really sunk in," she says. "They are not going to be elated. We are not talking about satisfaction with the government or people being happy. But I do think they would find it acceptable." That grim verdict is the Liberal cabinet's best hope—and earnest goal. □

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Mining the mother lode

Growing Canadian investment in Chile, especially in the mining sector, prompts a push to tighten political ties

The Chilean wilderness is a harsh and strange land. At altitudes of more than 4,000 m, it is a place of firs, ice, fuming volcanoes and fiabulous, switch-like birds. Tucked along the Bolivia border nearly 2,000 km north of Santiago, it is a remote little-known even by Chileans. But for two interlocking companies from Canada, the wilderness is anything but forbidding. For the geologists and mining executives of Vancouver-based Cominco Ltd and Teck Corp., the paired canyons and volcanoes have marked a path to a rich copper deposit they call Quebrada Blanca—white canyons in Spanish. It is one of the largest mines in the world and is just the latest addition to a growing string of major Canadian investments in Chile's booming mining industry.

In fact, it is the mining industry that has made Canada one of the largest foreign investors in Chile, with total planned investment of more than \$5 billion. And it is the size of that growing grab-bag, driven by giant ore deposits and low production costs, that will lead Prime Minister Jean Chrétien to Santiago this week, in the first visit over by a Canadian prime minister. "We are going to need backing," says Francisco Cossio, a senior Chilean and vice-president of the Canadian-owned Cerro Colorado mine. "There are two major Canadian dollars in Chile" to be sustained without more formal political support. After stops in Toronto, Uruguay and Argentina, Chrétien will spend two days in Chile, where he will meet with President Eduardo Frei and discuss adding Chile to the current North American Free Trade Agreement, which includes Canada, the United States and Mexico. Chileans will complete his tour in Brazil and Costa Rica before returning to Ottawa. In total, officials expect

the trade mission to generate about \$500 million in contracts—including the construction of pipelines, thermal power stations and, of course, the development of even more mines.

But while Mexico may be enjoying market volatility and fiscal cut uncertainty related to its recent currency devaluation, low Canadian investment since parallel crises about seven centuries ago with Chile. "The economic factors are different," says Mario Larra, Canada's ambassador to Santiago, who points to Chile's falling inflation rate, strong economic growth and budget surplus. Above all, he says, Canadian investment in Chile is not speculative or temporary.

It is a commitment in primary resources. For instance, along with its intensity Chilean partners, Cominco and Teck—which owns 30 per cent of Cominco—have now invested more than \$900 million in the Quebrada Blanca complex. To date, that has involved building their own road, power plant, and sewage and water facilities to get at the copper that they have been probing for export to markets in Europe and Asia. At least next door to that site, Falconbridge Ltd. of Toronto owns a one-third interest in the Collahuasi project, which is expanding as one of the world's largest copper deposits. And about 100 km to the north, at the base of the Andes along the edge of the Atacama desert, Toronto's Rio Algom has sunk \$200 million into the Cerro Colorado mine.

But while Chile is the world's largest producer of copper, that is not the only attraction for Canadian investors. To the south, near the coastal town of La Serena, lies the El Indio gold mine, one of the principal reasons for the 1991 takeover battle—and hefty \$2.3-billion

bid price tag—for Las Milenerias Ltd. of Toronto. Lac Minerals Ltd., a large gold, silver and copper mine, and Barrick Gold Corp., also of Toronto, wanted those reserves to sustain its strong record of growth. North of La Serena, Plover Dome has a 90 per cent share of La Cope, one of the world's largest silver mines.

The main reason why the Canadian mining industry has developed such a presence in a country, the opposite end of the world is not complex. Explains Jim Drake, the Vancouver native who directs the Quebrada Blanca mine: "It's the quality of the ore body." And that quality is self-evident. Near the hour landscape of the open-pit mine is the canyon, or quebrada, that gave the mine its name. Nature has mined the canyon walls in parallel, but one color stands out brilliantly—the blueness of copper. Quebrada Blanca's reserves are 1.3 per cent pure copper, and Cerro Colorado's ore grade is 1.4 per cent pure copper. By comparison, B.C.'s Highland Valley Copper mine—50 per cent owned by Cominco—has an ore body of 0.4 per cent pure copper. "At Cerro Colorado, we don't even count 0.4 per cent in our reserves," says Tom John, who evaluates new projects for Rio Algom.

Chile's allure is not limited to geology. Since the end of the military dictatorship of Augusto Pinochet in 1990, the country has developed a stable, multiparty political climate with what observers say is general consensus among the major power lines about economic policy

the national director of the customs service in Santiago, who flies and dived the oceans to carry out his work in addressing the problem. At Cerro Colorado, it took only two years from decision to production to build a mine that employs 284 people and produces 40,000 tons of cathode copper a year. "If this mine had been located in Canada, in terms of the environment, it would have taken a lot longer," says John. "But it would have been built the same way."

Still, some Canadian critics feel that the industry is guilty of environmental dumping and that it is rushing to leave stronger countries like Chile to escape tough pollution controls at home. For his part, Bob White, president of the Canadian Labour Congress, insists that any trade deal with Chile must include environmental and social safeguards. "Trade can't just deal with property rights and the trading rights of multinational corporations," he insists. But Quebrada Blanca and Cerro Colorado, two centers of mining, were both built to North American environmental standards. That was less an ethical decision than a business one, according to Drake. He anticipates that environmental regulations in Chile will get tougher and that it makes more sense to build to a higher standard initially, rather than make expensive modifications down the road. Both mines use an efficient process of leaching and solvent extraction, which does not work with the type of copper ore found in Canada, that eliminates the need for costly—and polluting—smelter works. "Most of the operations are in barren land, with virtually no population centers nearby," says Ricardo Cortes, the publisher of Minera Chileana, an independent trade magazine located in Santiago. "Nobody's screaming at their front door." Both he and Aníbal van Hulle, a vice-president of the Chilean Canadian Chamber of Commerce, say Canada is becoming a difficult place for mining companies to do business. "There are many more interests to satisfy," says van Hulle, who is also vice-president for Chile at the Bank of Nova Scotia.

Certainly, there is no arguing about the riches of Quebrada Blanca. The nearby town of Copi has a police post, a temperamental bus named Teresa, and Emilio Borneo, an Argentinian Indian who straddles back and forth from Bolivia with newspapers he sells to the miners. To gain access to the area, Cominco and Teck had to spend millions of dollars to construct 138 km of road, a 30-km water pipeline, and one of only three tertiary sewage treatment plants in Chile. The companies also built temporary housing at the site and permanent housing, offered to employees at subsidized rates, 240 km away at Iquique on the Pacific coast. But the most challenging competition is at the local site. The local leading strip is 2.7 km long, but it can only handle eight planes. In such tight air, engines do not run as well, which means the \$30 an hour power plant has 30 turbines instead of the standard six. Even steam does not work the way it should be, because it is not as hot. Neither do people run as well as they do closer to sea level. Because of distance and the need for good infrastructure, the mine uses a shift rotation that has the miners at the site for only seven days at a time. And while the food is good, there is no wine to finish off a meal because the effects of alcohol are magnified by altitude. "At any remote site, there's always a question whether it should be dry," says Drake. "At 4,000 m, it comes to be a question."

While the mining companies plot their next developments in Chile, B.C. Mines Minister Anne Edwards says that she is not aware that Canadian mining projects will suffer from the competition. "The large Canadian investments in Chile reflect the overall stance of the Canadian mining industry," she said. And the companies say they have no choice but to go to where the ore is deposited. Says Drake: "People might say it's easy where the car comes from, but nobody cares where the copper in the car comes from." Nobody, perhaps, except Drake and the growing number of Canadians whose lives are tied up in it.



■ Barrick Gold executive Peter Monk and investor Robert South inspect a site; Rio Algom mine in Chile (left); a road for new reserves

"Everybody is in agreement," says Cornish. "Nobody wants to change the system." For one thing, under the current regime, the Chilean economy has grown steadily. Unemployment is now about 5.6 per cent and the government is projecting an inflation rate this year of 8.3 per cent.

Not surprisingly, foreign business executives have few gripes about such a business environment. "It's a pretty good place to do business," Drake told McEwen's last week. Furthermore, what investors say they especially prize about doing business in Chile is the ability to get quick decisions by government officials. "People don't throw a lot of roadblocks in our way," Drake notes. David McEwen, the company's operations manager, relates a story about a recent problem on a Friday with customs officials. A Quebrada official called



ASSIGNMENT
WARREN CARAGATA
IN CHILE

Business NOTES



INFLATION RISES

Statistics Canada reported that the annual inflation rate was 0.2 per cent in December, ending a two-month streak in which the cost of living had fallen. The average rate for all of 1994 was also 0.2 per cent, compared with 1.8 per cent in 1993. But the December rate was 1.6 per cent when cigarette prices, which fell after a tax cut last February, were omitted.

FUNDS BOOM

Net initial fund sales in 1994 were \$20.25 billion, the second-best year on record, according to the Investment Funds Institute of Canada. But overall sales last year were down 42 per cent from the record high of \$34.4 billion set in 1993. Except for money market funds, all major fund types saw growth in net sales. Total assets under management at year end were \$127.3 billion.

BARRICK MAKE-OVER

American Barrick Resources Corp. of Toronto has changed its name to Barrick Gold Corp. According to chairman and chief executive officer Peter Murck, the new name reflects the company's "expanding horizons." With its \$2.3-billion takeover of Toronto-based Lac Minerals Ltd. last summer, Barrick became the largest gold mining company outside of South Africa.

LONG-DISTANCE CASUALTIES

The long-distance telephone war claimed two victims as Telforte Communications Inc. of Toronto fell into interim receivership and Montreal-based Foranisa Inc. acquired insolvent Northwest Venture Inc. of Toronto. The Foranisa deal, worth an estimated \$6 million, will add 30,000 customers to the company's business and boost its monthly revenue—totaling about \$12 million before the acquisition—by about 16 per cent. Telforte says about \$6 million in its creditors is owed by \$1.7 million to Foranisa. The company got into trouble when it failed to attract investors to pay for a major network expansion.

PENSION FUND FALLOUT

Guy Savard resigned as president of Canada's largest pension fund investment agency, the Caisse de dépôt et placement du Québec. Legislative changes, related to the Québec impugnation in December, would have limited Savard's authority over the \$40-billion pension fund. Savard was appointed to his position in 1991. A friend of former premier Robert Bourassa, he had been active as a federal Liberal party fund-raiser for a number of years.

THE WHEELS COME OFF: Ford Canada's Windsor machine production line in Oshawa, Ont., will close this week because high interest rates in Canada and the United States have curbed consumer demand. About 3,300 workers will be laid off temporarily. As General Motors Corp. last week, an agreement between union and management halted a three-day auto strike at the AC Delco parts plant in Flint, Mich., which disrupted the production in Oshawa, Ont., and St. Catharines, Que.

Job wars

In the latest of a series of companies wooed to New Brunswick by government incentives, Imperial Kool-Ray Inc., a Montreal-based manufacturer of aluminum products, announced that it will move its operations to Richibucto, 100 km north of Moncton, creating up to 30 jobs. The provincial government has committed to contribute \$800,000 to help the company cover relocation and startup costs. Other provinces have criticized Premier Frank McKenna for "job poaching," but last week he publicly vowed to continue to cut business costs to attract corporations. "If they don't watch their bottom line," McKenna added, "we're going to take a lot more business from them because we are watching ours."

The promise of a 10-year tax holiday and other incentives, meanwhile, lured two businesses to the province of Newfoundland, creating

about 36 jobs. The Canadian Jobtree Yodas Corp. expects to begin manufacturing yodas using water extracted from icebergs this June in St. John's. And Ontario-based Lark Engineering, which specializes in environmental monitoring and fisheries research, will soon establish a new research and development and manufacturing facility in Newfoundland.

Exports, eh?

Statistics Canada reported that Canada's exports grew to more than \$20 billion during November, up from \$19.6 billion the month before and a new record. Economists believe that the export sector will continue to be the bright spot for the Canadian economy as the dollar falls and as interest rates rise, threatening to stall recent economic growth. Machinery, cars and trucks, and energy accounted for much of the gain. Imports, meanwhile, rose to a record \$18 billion from \$17.4 billion.

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The way to the number 1 market

BY PETER C. NEWMAN

There's one Canadian who personifies this country's future trade prospects with China, it's Jack Austin, the 50-year-old businessman cabinet member and former deputy minister of Energy, Mines and Resources. He first came to prominence as a China hand last fall as organizer and chief investor of the wildly successful Texas Canada trade mission to Beijing and Shanghai.

He has been steering the Chinese territories for years, having first gone to China in the spring of 1971, only six months after Canada officially re-opened the Communist regime. At the time, he spent parts of four days in conversation with Mao Zedong, the country's longtime group minister, and established some valuable initial contacts. Currently president of the Canada-China Business Council, a trade group founded by 200 Canadian exporters put together by Montreal's Paul Desmarais, Austin is also senior partner in the Beijing-based PricewaterhouseCoopers, Yang & Anderson, the first Canadian law firm officially admitted to practice in China.

He is convinced that last November's trade mission led by Prime Minister Jean Chrétien has permanently altered the Chinese view of Canadian businessmen. "They believed for a long time that we were often conservative, not willing to make a serious effort," he told me. "They now realize and appreciate that Canadians are willing to do whatever it takes to break into the Chinese market. Such powers as Northern Telecom and Desmarais's Power Corp. have shown that doing business in China is a practical and profitable thing to do, providing you know what steps to follow." As well as having Chrétien, hold a dozen federal ministers and nine premiers, the trade mission included 323 senior Canadian business executives, 106 of them CEOs. They signed agreements worth \$9.6 billion of potential business with China, a figure dismissed as overblown because at least half the total was accounted for by the propping side of a CANADIAN \$80.5

By 2002, Greater China's economy, with a \$13.2-trillion GDP, will surpass that of the United States. It could become our best export market.

was nearly twice as much business as was transacted by a larger German delegation in 1993, and considerably more than the \$2 billion in agreements signed by an American group under Commerce Secretary Ross Perot early in 1994.

The problem now is to make sure both sides understand it wasn't a one-shot deal. "Participation requires a long and continuous process," warns Austin. "Canadians must make a real effort to comprehend the culture, history, language and aspirations of the Chinese. They have to be prepared to make time, effort and money to live there for extended periods and offer world-class values in goods and services. The real dilemma now is that we see a homogeneous country in a Pacific basin in agreements signed by an American group under Commerce Secretary Ross Perot early in 1994.

The potential prize is immense. World Bank projections show that the China of the 1990s is the fastest growing economy on earth. In the 30 years after 1965, average an-

nual growth of its gross domestic product credited eight per cent, and the increase has hit more than 13 per cent a year since. Experts now predict that China's economy will quadruple every 21 years. It's estimated that by the end of the decade, China will become one of the four economic superpowers, along with Europe, the United States and Japan. A World Bank study titled "The East Asian Economic Miracle" possibilities an increasing integration of the economies of China, Taiwan and Hong Kong as "Greater China," and predicts that condition will, by 2000, surpass the American economy, with a GDP of \$15.2 trillion, compared with \$13.1 trillion for the United States.

At the moment, per capita income in China is only \$240. But according to the World Bank calculations—which use a new comparison standard called "purchasing power parity" that more realistically accounts for the cost of domestically available goods and services—the real figure should be \$2,700. With a population of 1.2 billion, that already makes China the world's second- or third-largest economy.

About half of China's current domestic activity takes place in what can loosely be defined as the non-government sector, including local towns and village enterprises that are really co-operatives. Half of China's exports will flow out of government-owned enterprises, while the towns and village sector accounts for a third, with the balance provided by privately owned companies, mainly in textiles, electronics and an almost unlimited range of consumer goods. Nearly all foreign funds flow in as joint ventures, in 1993 the latest figures available), while investment was 130 per cent higher than 1990's total of \$35 billion. Benefits of this influx are being distributed mostly on the 350 million workers who live in China's coastal cities, where most of the manufacturing plants are located.

The economy's most serious problem is inflation, mainly because the money supply is steadily being expanded to fuel not only state enterprises, but also private ones. "The cycle cannot be broken. At the moment inflation is at a five-year high, last September, for example, annual prices went up 27.4 per cent, while urban prices jumped 50 per cent. The 10-per-cent inflation target set by vice-premier Zhu Rongji two years ago is clearly not sustainable."

The Chinese are like the Poles or the Scots: they never do any thing by halves. Under chairman Mao, China closed its door to the world, and the repression of the Great Cultural Revolution followed. China's passion for economic growth is in part an escape from that terrible time. As one conservative Beijing analyst has observed, "China is passing through a period of historical angst. The passion for the market is as much about rejecting the last 45 years, as it is about breaking rich."

Meanwhile, Jack Austin is betting that China will find its post-revolutionary soul, and Canada will reap much of the benefit.

[An advertising supplement to the January 10, 1995 issue of Maclean's magazine.]

Navigating through the world of RRSPs



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IDENTIFYING YOUR OBJECTIVES

Understanding the basic rules of RRSFs is only the first step. Now you need to apply what you've learned to your own situation. Making investment decisions and sticking with them can be tough. So unless you ask yourself some searching questions and think through your RRSF goals and strategy, your Golden Years could look more like the Pyrite Pit. "The problem is, people don't have a philosophy," says David Stewart, a financial planner and president of Stewart and Co. "So when they're put to the test they fall apart."

First you need to do some personal finance groundwork, figuring out your assets, income, liabilities and expenses. In other words, you need to know how much you've already got saved and what you think you're capable of saving, given your current income and living expenses.

Then, it's time to look at your retirement goals. When do you plan to retire? How much do you think you'll need to live on?



Identifying the products:
Equity or fixed income investments?]

Next you need to decide what are the types of investments that will help you get where you want to go.

Basically, investments fall into two different types — fixed income and equity. Fixed income investments are those ultra-safe, "no-nonsense" investments that hang in regular income, such as savings accounts, Canada Savings Bonds, term deposits and GICs, Treasury bills and government and corporate bonds. In equity investments you actually own something, such as a house or stocks on the stock market, that go up and down in value depending on what's happening in their particular market.

Choosing between the two is tricky, because while fixed income investments generally guarantee a particular return, historically, stock market investments have offered a better return in the long run. And while fixed income may be safe, they may not generate enough return for you to reach your retirement savings goal on time.

Then, there are the psychological factors. "A lot of people haven't had a lot of experience in investing," says David Stewart, "and it can be very anxiety producing. So you need to do some soul-searching. Can I handle the volatility?"

On the other hand, can you handle the nagging worry that you're not making as good a return as you should because your money is tied up in low-interest fixed income investments? Don Reed, president and CEO of Templeton Management Limited, feels that "the biggest mistake people make is they invest for too great a





portion of their RRSPs in fixed income and not enough in equity." But like most people in the investment business, Reed also says investors "should invest to their sleeping point." If worries about your investments are keeping you awake at night, "then you shouldn't be investing in those kinds of vehicles."

[Decreasing the equity risk]

"For the average person to buy and sell stocks on their own or even with a stockbroker is very difficult to do," says Warren Baldwin of TE Financial Consultants, "because they don't have enough money, and they don't have the expertise or the time to really understand the field."

So how can the average investor get better returns without undue risk? For many, mutual funds are the solution. Instead of doing it on your own with your small amounts of cash, time and expertise, you can pool your resources with thousands of other individuals plus group investment such as pension plans and financial institutions. Together, they all contribute money into a common fund, which is managed by a mutual fund company. It supplies full-time professionals to do the research and invest on your behalf. Don Reed says he prefers to keep all his investments in mutual funds. "I'm probably better positioned than most people to buy stocks and I don't because I know I won't look after them."

Remember, though, that while we tend to think stock markets when we think mutual funds, today you can buy mutual funds that involve a wide variety of investments, including fixed income types.

[Diversifying your investments]

The way to minimize the risk and discomfort while maximizing the return, is to get a little of each. How you use your assets, however, depends on both your tolerance for risk and your age. For example, for a 30-year-old to have 90% of his or her RRSP in equity mutual

funds is not especially risky. "If the market either goes flat or takes a 10% drop, that person has a long time to make up the difference and by and large they will," explains Warren Baldwin, who is also vice-president of contributions for the Canadian Association of Financial Planners. But for someone who is 62 and therefore likely to retire soon, the same account could derail their plans.

And, of course, it does not make much sense to start diversifying into exotic types of investment if you only have \$5,000 in your RRSP. Martha Petrusia, assistant manager for retirement savings products at the Royal Bank, suggests beginning investors start with straightforward deposit investments. "As you begin to accumulate a sizable portfolio, then you can look at diversifying your assets and maximizing your return."

In order to determine the right asset mix for you, you need to be honest with yourself about how much risk you can handle and how important it is for you to be safe. As a start, try the quiz prepared by Bank of Nova Scotia.

EXPERT VIEW POINT

"At my relatively young age — I'm 45, a mere lad — you have to go for growth. I believe that by the time I reach retirement age the top average rate will be between 7% and 7.5%. So I want to bulletproof myself as much as possible."



JERRY WHITE
author of *The Power of Money and Finance*
national commentator for
CanWest Global
Television and
Standard
Broadcasting

"I'll buy that again this year. I'll also put money into mutual funds, including a Canadian small capitalization corporate fund — companies worth under \$1 billion — because I think they're going to have a good year."

"I'm holding off on the debt funds. I think interest rates and the stability of the Canadian dollar are going to be bad as Quebec moves closer to the referendum."

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Tim FORD LITTLE - October 1994

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FINDING A STRUCTURE

In today's RRSP market, you not only need to identify an asset mix that is right for you. You also have a choice of ways to organize that mix.

[The Conservative Approach]

There is no shame in sticking with conservative, interest-bearing investments guaranteed to go up, if that is all you feel comfortable with. "You take a lot of risks elsewhere in your life," points out

David Stewart, "and for the retirement money to definitely be there, it is a real comfort to some people."

However, that choice could leave you with deposits at several different institutions, which means you will have to keep track of them all yourself and make sure they are all renewed when they reach maturity. The alternative would be to do all your investing through one financial institution. However, that means you would not be able to shop around to get the best interest rates. Plus, once you have passed the \$60,000 point — the maximum amount covered by the Canada Deposit Insurance Corporation (CDIC) — you need to be sure your investments are spread around among different institutions. Given the multitude of later-career loans in the financial services industry today, you may be able to do that and still bank in one spot. But it is wise to check the arrangements with the CDIC (1-800-461-CDIC).

[The One-Fund Approach]

An alternative approach for someone just beginning an RRSP, or a conservative investor who wants to experiment, is to focus on a single mutual fund. A balanced fund — one that invests in a mix of equity and fixed-income investments — is "an excellent place to start." For someone interested in mutual funds, says Martin Victoria, Doing that reduced amount of homework to find the fund you feel comfortable with will save time, agony and missed opportunities later, says David Stewart. "It's a no-brainer. Whichever you have some money you just put it into that fund."

[The One-Family Approach]

However, while the One-Fund approach is "a logical first step," says David Mather, senior vice-president of TDRI & Page Ltd., investors with more to spend should consider diversifying.

So another approach is to find an entire family of mutual funds you feel comfortable with. You can do this by identifying a mutual

fund company that has a mix of funds, a philosophy and a performance record you like. You can also join the family of funds where you bank. This "one-stop shopping" approach gives you some of the advantages of a self-directed RRSP without having to pay the administrative fee; you can invest in several different types of funds and receive a consolidated statement of your holdings. For example, at the Royal Bank, you can invest in 11 different mutual funds, along with term and savings deposits, and receive only two regular statements to report on the whole lot. Royal Bank offers 11 different RRSP-eligible mutual funds (and the added advantage of lumping term deposits and mutual funds together as part of your RRSP, so that you can get 20% of that total amount into foreign content, rather than just 20% of your fund investments).

Depending on the situation, the one-family approach will probably also give you certain savings as commissions when you buy or switch funds. If your RRSP is at a bank, you can also have interest-bearing investments in your RRSP, such as GICs. The disadvantage is, you are restricting yourself to the investment vehicles offered by that institution.

EXPERT VIEW POINT



MARY CLAIRE HEINTZMAN
registered financial planner and president of the Ontario chapter of the Canadian Association of Financial Planners

"As a family we've been into RRSPs almost since the beginning. Once I returned to the work force and started having my own earned income, I started immediately."

"I definitely was in the 'February syndrome.' But since I've become a full-time financial planner, I've contemplated at the beginning of the year."

"I get a lot of diversity by buying mutual funds invested in different types of securities. On the equity side, I have various types of Canadian funds. My foreign funds tend to be global, but I do have a few regional ones. And I also diversify by going with different portfolio managers. I don't think you should

invest all your money in one particular view of how the economy will evolve."

"I know a lot of women treat their investment strategy as an individual matter. But I plan for my RRSP, my husband's and our spousal RRSP as a unit. Yes, everything is separate in terms of ownership, but by planning as a whole, you can get better diversification."

What's the difference between a sound mutual fund investment and one that just "sounds good"?



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A Self-Directed Plan |

For complete flexibility, however, "A self-directed RRSP opens the door," says David Stewart. "Now you can go anywhere you want. But you also have to be prepared to make more decisions because there are more choices. But your reward should be that you get a better return."

You can arrange a self-directed RRSP through a broker, a financial planner, a bank or a trust company. Instead of having different RRSP investments all over the place, they will be administered by one institution and you will get one single statement. That makes it easier to keep track of your investments. "You may run into problems of confusion if you have six different statements coming in. You're more likely to look after your RRSP if it's all on one statement," says Stewart.

A self-directed RRSP gets you out of the bind of investing in only one company's products. For example, the Toronto Dominion's Greenleaf Investor discount brokerage service offers a variety of investment instruments, including 600 mutual funds and GICs from six different banks and trust companies, not just the TD's own products. "You can mix and match the whole darn thing up," says Peter Campbell, manager of technical support for RRSPs at the TD Bank. Most banks and trust companies now offer both a discount investment broker and a pricier, full-service plan.

However, a self-directed plan includes an administrative fee,

ranging between about \$100 and \$200 annually, depending on the plan and how much service you get. So it does not make sense for investors with only small amounts in their RRSPs.

CAN YOU MANAGE YOUR RRSP BY YOURSELF?

Another important question to ask yourself is how much help you will need or want in managing your RRSP. It is now possible to buy a wide variety of investment vehicles for your RRSP — some of them quite complex — with little or no advice.

Some self-directed plans come with an advisor. Factors can offer investment specialists, a broker can suggest what products you should buy or, if you are buying from a financial services company



such as Investors Group or the American Group, you get a financial planner along with a choice of that company's mutual funds. Or you can hire an outside financial planner to counsel you.

However, for RRSP do-it-yourselfers, there is now a wealth of information — investment books and publications, regular newspaper reports, databases, company presentations and literature, and financial planning software.

Finance "do-it-yourselfers," vice president of client services for Alacorn Investment Services Inc., believes that motivated investors can manage their RRSPs competently on their own. Alacorn, a "no-load" mutual fund company, sells directly to customers via a 1-800 number. "Our clients tend to be quite sophisticated and knowledgeable. They're not looking for advice. They're looking for information, because they don't want to surrender personal financial decisions to someone else."

Others are less optimistic. "Almost anybody who's doing it on their own is doing it badly," says Warren Bishwin.

Doing it well takes time and self-discipline, suggests David Mather. "People approach it with great enthusiasm, have all the material and do a very comprehensive job — and then they hit it with 'You have to stay on top of it.'"

If you're not opportunistic right in the past — perhaps a GIC matured and you left the money sitting around for several months — then you probably do need someone helping you. "Some people say, No, I don't have the time, I don't have the interest, I'd rather have somebody do it for me," says "do-it-yourselfers." "And that's a perfectly acceptable solution, as long as the quality of the advice is good."

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Invest wisely. Important information about the STAR asset allocation program is contained in the simplified prospectus of the Universal Funds. The Industrial Group of Funds and Ivy Funds. Obtain copies from an investment adviser and read them carefully before investing. Unit values and investment returns of each fund within your STAR portfolio are not guaranteed and will fluctuate as will the overall market value of your STAR portfolio, reflecting changes in the value of the underlying funds. Review your investment mechanism objectives on a regular basis with your financial advisor to determine whether a change to a different STAR portfolio would be appropriate to reflect changes in your personal investment goals.

VIEW POINT



DAVID LEVI
President, Working Opportunity Fund (a venture capital fund sponsored by the BC Federation of Labour (and six affiliated unions))

"For many years I was one of those people who show up three days before the deadline with their RRSP contribution and say, here it is. Now I have a regular, rollovered savings that's part of my compensation."

"Early on I lost about \$3,000 doubling in very speculative stocks. After that I decided I would focus on mutual funds and term deposits and treasury bills, so now my portfolio is quite conservative."

"Because of the way the market is right now, my portfolio is 70% equity mutual funds, both international and domestic. The rest is in shorter term bonds and T-bills and, of

course, the Working Opportunity Fund."

"Right now, I'm increasing my short-term investment portion from 30% and heading to a 60-40 mix because I think we're at a crossroads. So I'm just building. There are reasons the market should go up, but there are also factors that could bring it down — primarily higher interest rates and Quebec. I think the trend is higher interest rates. The question is, how that will affect the stock market."

HOW TO GET GOOD ADVICE

So how do you make sure you're getting good advice? Get referrals for advisors who deal with clients similar to you, ask lots of questions and interview several candidates before making a decision. "You're looking for the same thing as when you go to the doctor," says Bruce Gelfing, senior vice-president of sales and marketing at NMF Management Ltd. "Someone who will interview you about your finances, your net worth and obligations and determine what is most important for you. Not someone who gives you a set package — that is what I sell, take it or leave it. You should be sure that advice is customized to you."

Many advisors, such as brokers and some financial planners, receive a commission from the companies that sell the products. As a result, many consumers are suspicious of "greedy and greedy" financial salespeople, says Iwan Richards, president of Marketing Solutions, a research and marketing firm for the financial services industry. However, Richards' studies show that the industry is responding to the public's desire for quality financial advice. In 1993, Richards' researchers made calls to 250 brokers and planners, looking for investment advice. "In 90% of cases the response was, we should sit down and look at what your objectives and needs are and then we can talk about what you want to invest in."

David Stewart, whose staff receives fees for service rather than commissions, says while commission people may have their biases, they are not as short-sighted as not to realize they have to keep their clients happy. However, if you do have questions about why your advisor is recommending one particular fund, do not be afraid to ask questions.

Consumers also wonder if banks and trust companies, relatively new to the business of financial advice, can give their customers the support they need. Clifford Prosser, assistant general manager for retirement and term products at Bank of Nova Scotia, insists they do. "In order to sell mutual funds you must pass independent exams to become a qualified representative. We also have our own course that you must participate in to improve the quality of the guidance and information you give to customers." Customers who want to buy mutual funds are urged to spend time with an advisor to make sure they have thought about their choices and understand the risks involved. Even customers who are only buying GICs are encouraged to plan their investments to protect them from interest rate fluctuations.

STICKING WITH THE PLAN

All too often, however, it is not a greedy advisor but a nervous investor who jumps around from one investment to another, rack-

ling up commission fees and losing money in the process.

"The most common mistake is the standard knee-jerk reaction to what's happening in the market," says Patrick Ireland, manager of personal financial services for Investors Group. "The market's going down so I'd better sell. Interest rates have gone up so I'd better get into that." Such investors consistently miss the peak of whatever markets they're in, selling low and buying high.

Instead, you can take a very simple approach: do your original homework of determining your goals and the right strategy for you. Then buy the investments and sit back and wait. "If your goals and objectives haven't changed, why should your investments change?" says Ireland.

Mutual funds were designed precisely to relieve individual investors of the burden of trying to "time" the market, points out Laurie Muzzo, vice president of marketing for Maclean's Financial Corporation. Muzzo, along with many other experts, says he would rather let fund managers decide the right times to buy and sell. "I work in the market and I'm still not capable of it," Dan Reed says his company does not want short-term investors. "We have a five-year time horizon and as should our clients. No one has lost money in a Templeton fund over a five year period since the fund was started."

HOW OFTEN SHOULD YOU REVIEW YOUR RRSP INVESTMENTS?

However, that doesn't mean you should totally ignore your RRSP. Once or twice a year, it is a good idea to review both your portfolio and your goals and strategy to make sure they are still appropriate.

While it is important to resist that temptation to react about there may be occasions when it is valid to make changes to your RRSP — if there are major changes in your life, your income or your goals, for example, or if a stellar performance by one investment is throwing your portfolio out of balance. And sometimes an investment will turn genuinely sour. David Stewart suggests that when you choose a mutual fund, for example, you choose one or two comparable candidates and follow them as well. If your choice is consistently outperformed by one or all of the other candidates, it may be worth the trouble — which may include fees — to switch. "You shouldn't accept mediocre performance forever," Lorie MacLellan, marketing manager for retirement services at Royal Trust, says. "It's a mistake to get on blinders." She advises investors to make a considered decision about where they want to put each year's contribution. "Don't just click it in your usual GIC or a favorite mutual fund."

Look for Part 3 in Maclean's February 13, 1995 issue.

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IMPROVED TREATMENTS EASE A CRIL DISEASE

SCHIZOPHRENIA:
HIDDEN TORMENT

BY MARK NICHOLS

It's quite horrendous. First of all, you're not usually that you love, a child that you're raised. And then suddenly, the child becomes a crazy person.

Jane Beely speaks with disarming candor—her way of dealing with the pain she has felt her family. It began in 1976, when Beely's 17-year-old son, Matthew, started to hallucinate. Diagnosed as schizophrenic, the boy stayed at home in Toronto as his condition worsened. In his mind, Matthew believed that God wanted his mother and his sister Susan to be the angels. Beely tried to force Matthew to realize that he could be treated. But, she discovered that this was virtually impossible without Matthew's consent—which he would not give. Then on a dark, cold day in February, 1981, Beely arrived home to discover her son dead at a pool of blood. "He had cut two arteries down his throat," says Beely. "and plunged them into his eyes until they pierced his brain."

The horror of Beely's tragedy may be hard to fathom, but the affliction behind it is all too common. With different details and different—sometimes happier—outcomes, the madness is present in the lives of the estimated 270,000 Canadians who suffer from schizophrenia and in the lives of their families. For years, the prognosis for most schizophrenics has been bleak. Many still languish on the margins of society, hidden in mental hospitals and lodged in prisons. They are the withdrawn and suspiciously white still living with aging parents, and they are the ragged, untidy souls who carry on conversations with invisible partners, or rant incoherently at the streets. "I live in a totally different world, a different reality," says Gus Boudreau, a 39-year-old schizophrenic in Montreal who has been hospitalized frequently. "I've been through lots of different beds."

Now, better drugs and new ways of treating

schizophrenia are offering more of the disease's victims a life in society instead of institutions, and some to hold down jobs. At the same time, at present, Canadian scientists—who's flashes have already paved the way for a greater understanding of schizophrenia—and researchers around the world are hunting for underlying causes of the disease—suggested clues to causal pathways—the loss of contact with reality that affects schizophrenics—are already coming to the market, and some researchers believe that within the next few decades scientists will find a way to totally cure the baffling disease (page 70).

On the other hand, budget reductions by beleaguered governments are creating new problems for schizophrenics and other victims of serious mental illness. As hospitals reduce staff and close down beds, families often are unable to find institutions willing to take in schizophrenics who need medical help. Just as frustrating for many families are provincial laws designed to protect patients' rights, which make it difficult for families to have schizophrenics committed or treated against their will. "The myth is that if people exhibit violent behavior,

multiple persons think. And many people continue that schizophrenics are prone to violence. The fact is that schizophrenics who are violent become violent, but most do not—they are far more likely to withdraw from society. And the stigma that clings to schizophrenics adds to the victims' difficulties. "The stigma is always there," says Sherryl McBurnett, a 39-year-old Winnipegger who is training to be a mental health worker. "This world is a lot better, with some people their attitude changes. They think I might come at them with a knife."

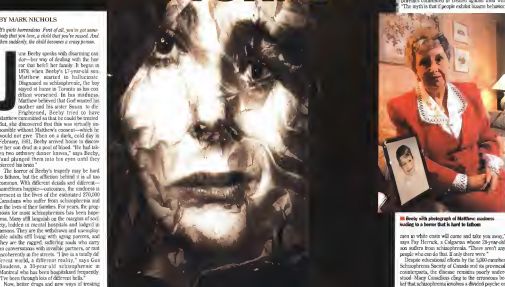
Schizophrenia usually begins between the ages of 16 and 30, with men often being affected earlier than women. The first symptoms can include trouble concentrating or sleeping, and affected people may start avoiding their friends. In the next stage, many schizophrenics begin to speak incoherently and see or hear things that no one else does. As the disease takes hold, there are cycles of remission followed by frightening relapses marked by disordered thinking that causes many schizophrenics to lose abruptly from work or school or in other ways they talk. They begin to experience hallucinations, paranoia and delusions—schizophrenia in their psychotic phases may become convinced that people are spying on them, or imagine that they have acquired godlike powers.

When they are in the grip of psychosis, they frequently behave erratically, and they can become violent or suicidal. Often, it is parents and other family members who have to deal with the recurring crises. In September, Mary Lou Schaefer, a retired Peterborough, Ont., day care supervisor, went searching for her 30-year-old son after he fled into the streets. Her son was concerned, says Schaefer, that "someone was waiting up in and down in front of his apartment with a gun. When he gets like that, he thinks he has to defend himself. So he can be a danger to other people."

Often, schizophrenics are more of a danger to themselves. An estimated 15 to 30 per cent of them take their own lives—despite of over 50 years of research, or because their "voices" tell them to. Another 15 per cent do not respond to medication, and have no choice but to live in their madness—either in an institution or on the streets. With the help of antipsychotic drugs, which can reduce or eliminate a sufferer's hallucinations and delusions, about 70 per cent can live in society. And some—perhaps 15 to 20 per cent of those diagnosed—can do some form of work, as long as they stay on their medication and avoid stress, which can trigger psychotic episodes.

The effects of the disease can be ugly and far reaching. Because the illness is chronic, schizophrenics occupy an estimated seat in every 13 hospital beds in Canada—more than for any other disease. And the Schizophrenia Society of Canada estimates that each year more than \$4 billion is spent on treatment, welfare costs, family benefits and community services connected with the illness. Seeking escape from their torment, schizophrenics often turn to alcohol or illegal drugs, and they often can afford of the law because they believe they are not bound by society's rules. As a result, more 1,000 of the 30,000 inmates of jails and prisons across the country are schizophrenic. And thousands more are among the population of homeless Canadians.

That is a bleak picture—but it is a vast improvement over the lot of most schizophrenics just



Beely with photograph of Matthew: madness leading to a home that is hard to follow

ness as white cells will come and take you away," says Day Herrick, a Calgaryan whose 38-year-old son suffers from schizophrenia. "I don't remember any people who can do that. It only there were."

Despite educational efforts by the 1,000-member Schizophrenia Society of Canada and its provincial counterparts, the disease remains poorly understood. Many Canadians cling to the erroneous belief that schizophrenia involves a divided psyche or

three decades ago. Antipsychotic drugs have helped to make the difference. One is risperidone, which was recently introduced in Canada and is, for some patients, less likely to cause the debilitating side-effects common to most antipsychotic drugs. "It's not a miracle drug," says Dr. Barry Jones, co-ordinator of schizophrenia research at Ontario's Hamilton Psychiatric Hospital. "But for a very small percentage of patients, it really has made the difference significantly better." Clozapine, another drug that has proved a boon to the battle with schizophrenia, was initially developed more than 30 years ago, first pulled off the market when it was found to cause harmful blood chemistry imbalances. Doctors subsequently discovered that with careful monitoring, clozapine can be used safely—and on other help-schizophrenics who do not respond to conventional antipsychotic drugs.

Even the most effective drugs, which work by adjusting chemical balances in the brain, may not entirely banish delusional thoughts. But they can help schizophrenia be more of what it is: a haunting thing that they're thinking becomes disordered. "Medication may diminish the symptoms, but not completely," says Dr. Ruth DeRosier, a psychiatrist at Calgary General Hospital. "Part of what we do is to teach people how to deal with moods, or moods, so that they can live in the real world. The reason I hear a voice coming out of that patient is because I have schizophrenia."

For many schizophrenia patients, the benefits of antipsychotic drugs come at the cost of debilitating side-effects, including stiff muscles, constipation, a dry mouth and blurred vision. Margaret Young, a 41-year-old Ont., elementary school teacher, says that the drugs cause "terrible" side-effects in her 31-year-old, schizophrenic son. "He says that his head hurts, and because of his medications, he has to walk into and out of every day," says Young. As a result of such symptoms, schizophrenia often stops taking their medication—and suffer relapses.

What then happens, family members who try to help often find themselves struggling with prominent laws that protect patients' rights and make it difficult to force treatment on anyone without the patient's consent. That means that when a schizophrenia begins behaving in an irrational or threatening way, family members may not be able to call for a hospital or the police for help. In most provinces, their only recourse is to try to convince a justice of the peace that the schizophrenia is a danger to himself or others, or that he is unable to look after himself. If the justice agrees to order short-term commitment, relatives can call on the police to take the patient to hospital. But unless the schizophrenia becomes violent or suicidal in a huge way, he or she still cannot be medicated without personally consenting. "You could have someone who was hospitalized because he was about to kill himself," says Berly, who stopped down at the end of 1994 after several 14 years as executive director of the Ontario Friends of Schizophrenics. "But if he made a statement in hospital that he didn't want to be treated—and was considered legally capable of making that statement—then he can't be treated. It's the most bizarre thing."

But others, including some schizophrenia, argue that people labelled mentally ill should be treated as if it was not as if it was not a social disorder. "Mental people don't have a clue as to what he has in his other realms of the mind," says Montreal's Berly. "People see me and they think I'm suffering, but I'm looking every minute of it." While most schizophrenia certainly do not wish be-



ing mentally ill, neither do they enjoy the severe side-effects that some experience with antipsychotic drugs. As a result, some advocates for the mentally ill argue that schizophrenia should be entitled to choose to remain psychotic. "Sometimes people decide they just can't take it any longer," says Catherine Medernach, a Manitoba mental health services consultant. "It's tough on family members, who are concerned about their own comfort level. But the people they are worrying about are adults, and they're entitled to make their own decisions."

Others, however, concede that under some circumstances schizophrenia can benefit from having medication forced upon them. Charles Nabors, a 41-year-old Californian, was diagnosed with schizophrenia in 1966. After he stopped taking his drugs, he was committed to a mental hospital and given medication against his will. "It is an infringement of civil liberties," says Nabors. "But let me say this, it was beneficial to be locked up and put on medication. You can't tell when you're getting sick. It's a disease of the brain and it's very subtle."

The debate over patients' rights reflects the enormous change in attitudes towards mental illness. As recently as the 1950s, a young schizophrenia in the throes of his first psychotic episode would probably have been committed to a provincial mental hospital, sequestered and placed in a locked ward. There, the patient might have been subjected to such primitive forms of treatment as being wrapped in wet sheets and injected with insulin—a practice that sometimes had a calming effect. In these days, schizophrenia might well remain in provincial hospitals for the rest of their lives. By the 1970s, a revolution had begun to transform the treatment of the seriously mentally ill in North America. Armed with the knowledge that most schizophrenia—with the help of antipsychotic drugs and community services geared to their needs—could live better lives outside of institutions, Canada's large provincial mental hospitals released thousands of patients and closed down more than 32,500 beds between 1960 and 1978.

Now, thousands of mentally ill patients, many of them elderly, remain in provincial hospitals and other institutions on a long-term basis. But a large proportion of the schizophrenia living in apartments and group homes across the country still require medication

to keep it—most frequently when they stop taking their drugs and suffer a relapse. All too often, patients who refuse treatment, or are turned away from overcrowded hospitals, end up wandering the streets—and sometimes living on them.

Many advocates for the mentally ill say that a new crisis intervention program, which would divert potential emergency calls to crisis centres, would be a good idea to reduce and close beds. According to Statistics Canada, 2,500 psychiatric beds in general hospitals and mental institutions were used between 1980 and 1992, the latest year for which national figures are available, leaving a total of 14,100 psychiatric beds in service. Just yesterday, advocates are even talking about closing to close. In Ontario, where more than 550 psychiatric beds have been scrapped since 1990, Health Minister Ruth Grier advised last summer that the province would reduce funding for its 16 mental hospitals by an additional \$50 million—a cutback that would have closed an estimated 100 hospital beds. But in October, Grier backed down in the face of protests by organizations and unions that work with the mentally ill. According to the relatives of schizophrenia, the budget squeeze is making it harder for the mentally ill to get help when they need it. As a result of bed short-

ages in hospitals, says Calgary's Berly, "they're trying to whip people into hospital, give them medication and then whip them out again—and it just doesn't work."

Critics also fear that as defunded provincial governments look for ways to economize, community services—including substance abuse, crisis response centres and rehabilitation programs—

"It was like everything was a dream"

At 18, Michael Eldridge weighs 220 pounds, has a live belt, eight inches tall and weighs 220 muscular pounds. A native of Edmonton, N.S., where he still lives, Eldridge spends a lot of his time lifting weights—by his own admission, he's the current Canadian deadlift record—and convincing others in the sport. Although he suffers from schizophrenia, Eldridge says his illness is no longer a major problem, thanks to antipsychotic drugs. But there was a time when the imaginary voices that he heard amplified his life and frightened those around him. "When I was on my motorcycle," he recalls, "the voices would tell me to shut my eyes and see how fast I could keep that bike before I was killed. Or when I was washing dishes, the voices would tell me to stare at people while I was holding a knife."

Eldridge recalls experiencing the symptoms of schizophrenia, including imaginary voices, before he was 15. In spite of that, he managed to finish high school but dropped out during his first year at Acadia University in Wolfville, where he was studying science. "I was too sick to be there," says Eldridge. "I was aware all the time of a sense of unreality. It was like everything was

a dream." After leaving Acadia, Eldridge fell into an aimless existence, playing discs compulsively, working at short-term jobs and getting involved with street drugs, marijuana and marijuana. Then, in 1973, after making 150, Eldridge was arrested as he tried to hitchhike in the middle of a highway outside Halifax. He was subsequently committed to the Nova Scotia Hospital in Dartmouth, where doctors diagnosed him with schizophrenia and put him on antipsychotic medication for the first time. It proved to be a turning point. "It's hard to go for help when you're mentally ill," says Eldridge. "Because it makes you feel. It's easier to say, 'We just have a problem. I have. There's nothing wrong with me.'"

Today, Eldridge lives on a disability pension in the house in Wolfville that belonged to his parents, who are both dead. "My doctors agree that schizophrenia is not a big problem for me now," he says. "I don't hear the voices any more. My biggest problem is that I can't work for more than 30 years and it's a little bit of a pain."

M. N.



Eldridge's mother has heard everything he's said and stuck her into those who were around him.

"Families don't know what to do"

The illness first began to show itself when Laurie Tinsington was a Grade 6 student in Grande Prairie, Alta. Until then, Laurie "was a normal kid," says her mother, Gayle Tinsington. "She did well in school. We had every reason to believe that her life would just go along." But a disturbing incident occurred in 1984 when Laurie began seeing drugs, smoking her hands and spreading them in her room around Stephen King novels. Three years later, after dropping out of school, Laurie told her mother "I have special power to stop you and I can control what's on TV and what the people say and do." That was 17 years ago, and since then Gayle Tinsington has struggled to help her daughter, and to learn to live with the terrifying thought that schizophrenia can affect on a parent's loved one. "I was terrified for us," says Gayle Tinsington. "Families feel so lonely. They don't know what to do or what is expected."

By the time she was 18, Laurie had been diagnosed as schizophrenia. Gayle Tinsington says that Laurie's older brother and sister were deeply affected by their sister's illness, and Tinsington herself struggled to deal with the stress that schizophrenia caused. "Because of my daughter's illness, says Tinsington, "my husband and I had more stress than we could cope with and we just stuck with each other. They were divorced in 1984. Later, Tinsington moved to Kelowna, B.C., where she joined a support group for the families of schizophrenia. There, she found that she could better cope with her girl by talking about it. "As a parent, you feel you have a tremendous responsibility to keep a son or daughter safe," she says. "But when your child is schizophrenia, you can't do that, because the person doesn't want help."

Laurie is currently being treated with the drug clozapine, which Gayle Tinsington says has controlled her daughter's delusions and hallucinations with relatively few side-effects. Last year, Laurie moved into a family home in Grande Prairie. And after years of struggle, Gayle Tinsington has taken her own small stride toward achieving, she says, "a balance of acceptance and hope."

SHARON KYLER BRIDGER

may also suffer. Such services vary drastically in quality and availability in different parts of the country. Most experts agree that the provincially funded Greater Vancouver Mental Health Service agency is one of the best of its kind in North America. With an annual budget of about \$20 million, the agency helps about 1,000 people with serious mental problems annually, providing housing, special programs for older patients and community response teams that deal with crisis situations involving the mentally ill.

By contrast, services in other Canadian cities are more fragmented, with scores of government-funded and private organizations offering a range of services. "In most of Canada," says Steve Lane, executive director for Metropolitan Toronto at the Canadian Mental Health Association, "you don't have a mental health system. You have good programs in some communities, but it varies enormously depending on where you are." Until recently, says Joanne Harhurst, executive director of the schizophrenia Society of Nova Scotia, services in Halifax have provided some—but not enough—support for schizophrenics, including accommodation and rehabilitation programs. Now, says Harhurst, patients "are being discharged into the community because of hospital bed shortages. So,



■ Muscarelli fears of Communist plots against her

her long-term outcome of schizophrenia. The hope is that if you intervene early enough, people will be able to retain the highest level of functioning—in spite of their disease."

Becly's son Matthew might have benefited from such a program. In a diary entry written two years before he took his own life, Matthew described an encounter with God. "He used his power and he controlled my brain for some months," the boy wrote. "God wanted me to feel that I would die, in order for individuals to live forever in heaven." No one will ever know what Matthew meant by that, but it is a glimpse into the schizophrenia's world. Becly says that schizophrenia's multiple personalities distort her relations, who often try to help the disease as an unresolvable family accident, that, says Becly, "could we shine light on the disease, and we drag it out of the darkness and say this is schizophrenia, this is what it does, we'll never conquer it."

At Toronto's Clarke Institute, doctors are running an intensive program aimed at finding out whether early intervention in schizophrenia can prevent the progressive deterioration that can set in with chronic mental illness. During the past

With SHARON DOYLE DUNNIGER in Toronto and DIANA BALLON in Montreal

"Walls were closing in"

As an Air Canada flight agent in Calgary during the early 1980s, Michelle Muscarelli was convinced that Communists were plotting against her. "I believed that some of the people I worked with were Communist spies who traveled from airport to airport trying to blow things up," she recalls. "In schizophrenia," adds Muscarelli, 35, whose own illness has now been largely controlled by antipsychotic drugs, "you take an information from all the senses properly, but you interpret it wrong. If someone followed me down a hallway, I thought they were going to kill me." Overwhelmed by paranoia, Muscarelli finally resigned from Air Canada in June, 1986, to evade the colleagues she believed were trying to kill her. "I thought," she says, "that I was thinking normally."

The turning point came two months later. "I thought Communists sprung me out of my apartment door at night and performed heart surgery on me while it was raining," she says. Muscarelli, who was obsessed with politics and wanted to run for public office. "I thought they stuck a jack in my ear and pulled my brain out, bit by bit. I woke up screaming in my apartment. I phoned my mother and told her that the Communists were going to kill me." Muscarelli finally agreed to go to the local hospital, where doctors diagnosed her as schizophrenic and put her on antipsychotic drugs.

Over the next year, as she struggled with schizophrenia, Muscarelli tried several times to hold a job. She lasted only a couple of days as a receptionist in Calgary, because the repeatedly disconnected phones. "Again, I thought the phones were bugged," she remembers. "I became paranoid and had another confrontation." Several months later, Muscarelli landed a ticket agent's job with Air Canada Airlines, which sent her to Montreal for on-the-job training. But the stress triggered a new bout of psychotic paranoia. "I was afraid of my boss," she says. "I thought the walls were closing in on me. I needed to be reassured by friends and family, so I said that I had the flu and went back to Calgary. My boss fired me for leaving the training."

Although stress can still cause her to experience hallucinations, Muscarelli works as a volunteer for the Schizophrenia Society of Alberta, teaching schools and talking to worried students about her illness. In 1993, Muscarelli, who is unmarried, gave birth to a daughter, Jennifer, after a brief relationship, and now lives in Calgary with her parents. "With schizophrenia," says Muscarelli, "everything was taken away from me. All my hopes and opportunities were gone. Now, my job is to look after my daughter. I have a purpose."

S. D. D.

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WITH CANADIAN SCIENTISTS PLAYING A PROMINENT ROLE, RESEARCHERS ARE FINDING CLUES TO A BAFFLING DISEASE

BY MARK NICHOLES

THE ROOTS OF SCHIZOPHRENIA

During the early 1950s, a young University of Toronto researcher named Philip Serman embarked on an experiment that some scientists dismissed as a waste of time. Doctors then knew that antipsychotic drugs could relieve some symptoms of schizophrenia, but nobody understood how they worked or believed that Serman's innovative approach—using radioactively tagged drugs and tissue samples from schizophrenic brains—could provide the answer. Serman persevered and, in 1975, he showed that the drugs acted in on a key brain protein that acts as a receptor for dopamine—a chemical that transmits messages in the brain. Two decades later, Serman—along with other leading researchers who have made Toronto's Clarke Institute of Psychiatry a world-renowned centre for the study of the disease—is still searching, and finding, new clues to the mystery of schizophrenia. Following a series of breakthrough discoveries by the Clarke scientists, pharmaceutical companies now are working on drugs that could significantly improve the lives of schizophrenics. And some experts predict that drugs capable of suppressing the disease's symptoms completely could emerge within a few decades.

Inspired by the realization that schizophrenia is a biochemical brain disorder—and not, as doctors once believed, the result of bad influences during childhood—a growing number of scientists are studying the disease. During the past five years, researchers at the Clarke Institute have isolated the genes for three types of dopamine receptors in the brain—findings that provide the pharmaceutical industry with clues for the creation of new drugs. At the same time, researchers in other Canadian laboratories are hunting for malfunctioning genes and other abnormalities that could provide clues to the underlying cause of schizophrenia. So far, what scientists do know is that dopamine is an important part of the problem—because it is an executive dopamine system that apparently causes abnormalities and delusions in schizophrenic brains. Now, scientists are struggling to understand how dopamine receptors function—and how they go wrong. In a key finding in 1980, Serman

now a professor of pharmacology at the University of Toronto, and other researchers discovered that normal communications between two of the receptors, called D1 and D2, require molecular biologists working at a Portland, Ore., research institute, isolated the gene for the D2 receptor, which Serman had identified in 1975. Two years later, after taking up a new post at the Clarke Institute, Van Tol isolated the gene for the D4 receptor, which appears to be overly abundant in people with schizophrenia. Then, in 1990 and 1991, Herman Mark, a molecular neuropharmacologist at the Clarke, cloned the genes for the D1 and D5 receptors.

The flurry of discoveries included one profound disappointment. Having isolated the dopamine receptor genes, scientists had hoped that at least one might turn out to be flawed—a finding that might have pointed to the cause of schizophrenia and provided a way of testing for the disease. But that hope faded. "It turns out," says Serman, "that the receptor genes are basically all normal in schizophrenics." Adds James Kennedy, a neurogeneticist at the Clarke Institute: "It is as though the dopamine system was wrong at us and saying, 'I'm not. But it won't be us exactly how'."

The belief is that a malfunctioning gene will not hold up the development of new drugs. But it does mean that a key switch may lie ahead for the underlying cause of schizophrenia. Because most schizophrenics come from families with a history of the disease, scientists

believe that one or more flawed genes must play a role in the disease. But if the flaw is not in the genes that determine the development of the dopamine receptors, the only other possibility is that a specific flaw is causing problems in some other part of the brain—and wiring in custom a chain of events that ultimately disrupts the dopamine system. While Serman and scientists at the Clarke Institute struggle to untangle the riddle of the receptors, researchers at other Canadian institutions are looking for suspect genes and pursuing other avenues of inquiry. Among them:

- Last May, Canadian researchers reported findings that demonstrated an unusual and little-recognized aspect of schizophrenia in its inherited form: the illness becomes more serious, and the age of onset earlier, with each succeeding generation. According to Dr. Anne Bassett, a researcher at Toronto's Queen Street Mental Health Centre, that pattern may be caused by a genetic instability that increases with each generation, in the part where it interferes with the functioning of one or more genes—and triggers schizophrenia. Using genetic material and medical histories collected from 15 large families in Ontario and the Maritime provinces, Bassett and Kennedy are searching for subtle areas of

■ Serman in his Toronto laboratory; doctors anticipate new drugs may improve the lives of schizophrenics

fault. "People may mean that the temporal lobe has not developed as fully. The differences are most pronounced in a part of the temporal lobe called the Sylvian fissure—where the brain does the integration of language with other mental functions," that induces voice," says Hower. "People with schizophrenia have auditory hallucinations, and they have difficulty accepting their thought processes."

- Researchers at the Montreal Neurological Institute have discovered evidence suggesting that the brains of schizophrenics generate between 30 and 40 per cent more dopamine than the brains of people who do not have the illness. The finding is important because even though most researchers agree that dopamine plays a central role in schizophrenia, until recently there was little hard evidence to support the theory. In their study, the Montreal researchers under neurophysiologist Albert Gjedde injected schizophrenic subjects with a radioactively tagged synthetic version of dopamine, the naturally occurring amino acid that the brain converts into dopamine. Using brain-scanning equipment, the researchers found that the dopamine produced in schizophrenic brains showed more prominently than in normal patients. "Something, there is an increased capacity to synthesize dopamine in the brains of people with schizophrenia," says Paul Canning, a research associate at Montreal Neurological.

Until a major breakthrough occurs in some other area of schizophrenia research, the key to treating the disease will probably remain in the complex realm of the dopamine system. Currently, most antipsychotic drugs act primarily on the D2 receptor, with limited results. But as growing knowledge of the different kinds of receptors may arrive, it may be more effective drugs. Already, a number of pharmaceutical firms are working on drugs that could ease the symptoms of schizophrenia by targeting the D3 and D4 receptors. As well, several firms, including Genentech-based Eli Lilly and Co. and Abbott Laboratories of Chicago, are conducting trials of drugs that, like the recently introduced drug risperidone, would block the action of dopamine and another neurotransmitter—serotonin—in the brain. Some experts believe that blocking action accounts for the success of risperidone at low dosages in helping to quell psychotic symptoms in some schizophrenics—without the accompanying side-effects produced by other antipsychotics.

Once scientists understand the genetic roots of schizophrenia, firms may be able to design drugs that will, in effect, correct biological deficiencies in the brain. When will this happen? Serman, 50, is optimistically hopeful. "In terms of better drugs, the prospects are good," he says. "In terms of understanding what causes the disease, we're getting closer—but we are not there yet." Some younger scientists are more optimistic. The Clarke's Mark claims that he and his colleagues are gaining understanding of the brain events that a viral cure for schizophrenia could appear within the next two decades. "If we know the genes for the proteins involved and understood how they work, then we can make analogues of those genes to make receptors behave," says Mark. "It will happen. The question is when." For the legions of suffering schizophrenics, that day cannot come too soon. □



insolving that could help to determine which genes are affected.

- Employing brain scanning equipment, Dr. William Hower, a University of British Columbia psychiatrist, is examining the brains of normal people and of schizophrenics who are members of the same families that are involved in Bassett and Kennedy's genetic linkage study. Hower's goal is to see whether there are significant differences in the brains of schizophrenics. So far, Hower has discovered that an area of the temporal lobe—a region of the brain involved in memory and hearing functions—appears to be affected in schizophrenic brains, says Hower. The fold space between areas of grey matter appear to be larger than in non-schizophrenic brains. That,

90 Maclean's and the 20th century

Excerpts from earlier issues mark 90 years of chronicling Canada and its times

Ninety years ago, Canada's 13th Parliament opened in January, 1920, with Prime Minister William Laidlaw's Liberals back in power after their third successive election victory two months earlier. The young Conservatives, having lost through not yet 30 years old, were already faced with sideways and sideways loss. Otherwise, communications across the vast land depended on the post office, boats and horse-drawn vehicles.

But in 1906, two ambitious Canadians, John Dwyer Maclean and R. A. [Dick] McLaughlin, were among many men who recognized growth and change that would revolutionize the way Canadians communicated, worked and lived. Maclean, 43, was a former daily newspaper business reporter who for 19 years had published periodicals in Toronto that provided specialized news to an expanding business community. The first venture in the company that now bears the name Maclean Hunter Publishing Limited was Canadian Doctor, born in 1909 year. Early in 1905, when he was already producing half a dozen publications devoted to specific business interests, Maclean perceived a need for a general-interest magazine that covered a range of subjects. In October, he launched the precursor to Maclean's, a monthly Fall magazine aimed at other publishers, mainly from abroad pages 10.

As Maclean promoted communication in print, his brother began to realize the potential of the automobile. MacLaughlin turned 34 in 1905, his first year that started the start of a motorist boom that persisted to this day. He was a person with his father, known as the Governor, and brother George, in the McLaughlin Carriage Co., founded in the year of Canadian Confederation to build horse-drawn wheeled vehicles and sleighs. By 1905, the company was producing 20,000 carriages and sleighs a year, and recording sales worth more than \$1 million in Canada, South America and as far away as Australia. But as MacLaughlin was to tell Maclean's 40 years later, remembering at the age of 60, there was "one small cloud on the horizon, a cloud caused by the appearance on Ontario's dusty roads of a strange contraption called the automobile."

MacLaughlin's story, as told to a Maclean's articles editor, is one in a series that the magazine will be compiling from earlier issues to mark 90 years of publication.



McLaughlin at the wheel of a 1907 McLaughlin-Six, in about 1908; stubborn

Excerpted from the Oct. 1, 1954, issue of Maclean's

HOW THE AUTO BEAT THE HORSE

BY R.S. MCLAUGHLIN
as told to Ron Ralston

By 1905, there were a couple of dozen cars in Toronto. They were still much of a curiosity, a sporting proposition for adventurous people. In the United States, the Ford Motor Co. was two years old. The Brock Motor Co., also two years old, had just been taken over by William C. Durant and, in that year, would produce 750 cars. Cadillac, three years old, was offering a one-cylinder car with the motor under the front seat. Among other cars for sale were the Locomobile, Mobile, Whittier, de Dion, Columbia and General. But the real thing was the E. C. Olds, whose curved-back one-cylinder Oldsmobile outnumbered all other cars on American dirt roads and raised gravel highways. Up to 1905, Olds—who was later to give his name to another car, the Olds—had produced nearly 12,000 cars. In that year he was making 6,500 manubus.



Mixed transportation in Toronto in 1910: I have often wondered why some cars succeeded and some failed

I started a campaign to persuade my brother George that automobiles had a place in the world, and pretty well convinced him. We never did convince the Governor, though. He honestly believed that the automobile would never replace the horse-drawn carriage, certainly not in his time.

In keeping an eye on this intriguing new idea in transportation, I had to move wisely. I had to wait until my holidays before I could visit the United States and learn more about what was being done in the automobile field. So while my vacation went I went to Buffalo, where Richard Pierce was making a car that was beginning to be heard about. Mr. Pierce took me to lunch at his club and afterward showed me around his plant where the Pierce-Arrow was being manufactured, painstakingly by hand operation, piece by piece, part by part. This state-by-state preference of the old school then made a startling statement in a quiet, understated way: "Can this be done so fast? Mr. McLaughlin, I would advise you against trying to make them."

He stated that if we had his best car would never find a considerable market, that McLaughlin's should use its experience in mass production of carriages to enter the new car field. And when I considered the \$2,000 to \$3,000 price of the Pierce-Arrow in comparison with our own price range for carriages—between \$50 for our low-priced models to \$150 for the largest and most elaborate carriages—I was inclined to agree with him. It is a pity Mr. Pierce was forecasting the fate of his own products. He continued to make his fine cars for many years, and they acquired great prestige. But they never sold in sufficient quantities to enable the company to survive adversity, and in the Thirties, Pierce-Arrow was out of business.

I went over to the E. B. Thomas Co., also at Buffalo, for a look at the Thomas Flyer. Mr. Thomas couldn't talk business with me, he said, because he already had conversations with the Canada Cycle and Motor Co. in Toronto. This led me to use all the more interest in getting a line on some arrangement to make cars in Canada, before competitors got the jump on us in our own country.

Not long afterward, we had a visit from a great friend of my father's [who] told us that a man he knew, Charles Lewis of Jackson, Mich., had been in the spring and auto business and was now making automobiles. He suggested that we talk to him. So I took the train to Jackson with Oliver Bisselwood, who was now an executive of the company. We called on Mr. Lewis. He was a fine old gentleman, genial and courteous, and ready to do anything in the world for us. He was enthusiastic over the possibilities of our manufacturing cars in Oshawa, and outlined how it could be done. We could manufacture the engines and many of the parts, he would supply us with an engineer and carmen parts. He proposed an arrangement whereby we would pay him a commission on each car he benefits we would derive from our connection with him. He was confident that the Jackson car was as good as, and pointed out that one of his cars, driven by the great Bob Harman, had recently won the 1906 Vanderbilt Cup race on Long Island.

All in all, the proposition sounded good. I went home broke but I was probably in the automobile manufacturing business at last—provided, of course, we could persuade the Governor to let us try it. Fortunately, I made one reservation before committing ourselves. I ordered two cars from Mr. Lewis for testing, one a chain drive, the other shaft drive. As soon as they arrived, Mr. Bisselwood took the wheel of the former and I climbed into the latter. Off we went down the standard highway.

I will draw a curtain over the events of the next hour. Suffice it to say that as automobiles they were a poor job of planning. We broke down several times. If we had not been optimistic we would have gone consistently back to carriage making. Certainly, if the Governor had been along on either of these rides we would have been out of the automobile business before we entered it.

But there was still one bright spot. While we had been sitting broke in Jackson before going to the Lewis works, William Durant and his factory manager had walked into the dining room. "Now, what on earth are you doing here?" he asked. I told him. He thought for a mo-

THE FACTS ABOUT LIPOSUCTION



Dr. Meyer Gorman
MD, FRCSC, Plastic Surgeon

Q: The best proper diet and exercise, but I still have some problem areas that remain. How can liposuction help me?

Dr. Gorman: Body contouring surgery such as liposuction removes excess fat from specific areas such as the abdomen, thighs and hips resulting in a slimmer body shape.

Q: How do I know if liposuction is right for me?

Dr. Gorman: If you're reasonably close to your ideal body weight but have localized areas that are disproportionate, liposuction can be very effective. Remember, though, it is not a substitute for weight loss and patients may have good skin tone and elasticity.

Q: Does having a child prevent me from considering liposuction?

Dr. Gorman: Children may come focusses at abdominal skin but most often liposuction is still the procedure of choice to improve contours. Other techniques are available if skin tone is excessive.

Q: Why is it so popular?

Dr. Gorman: Liposuction is safe, effective and affordable. It is not only used to selectively reduce fatty deposits in a specific area of the body.

Q: Can the fat cells come back again?

Dr. Gorman: No, once removed, fat cells can't regenerate. Liposuction removes excess fat permanently.

Q: What is involved in the procedure?

Dr. Gorman: The procedure is done in my private clinic on a day surgery basis. I use a general anesthetic for larger areas such as the torso and a local anesthetic for the face and neck. Tiny incisions are made in concealed areas



Dr. Gorman is a Fellow of the Royal College of Surgeons of Canada in Plastic Surgery and is a member of the active surgical staff at Scarborough General Hospital. He is the Director of the Cosmetic Surgery Institute, a private surgical facility in midtown Toronto specializing in cosmetic plastic surgery.



After liposuction of hip and thigh

For more information, or to arrange a consultation, call The Cosmetic Surgery Institute at 329 Eglinton Avenue East, Toronto, Ontario, M4P 1L7 (416) 327-7338

YOU CAN WALK AWAY FROM HEEL PAIN AND BUNIONS

Great news for those who suffer from heel spurs. A new technique called **endoscopic plantar fasciotomy** can bring quick relief — and many people return to work in only a matter of days.

This procedure is exciting because it works quickly and can be effective even when other treatments have failed," says **Sheldon Heber**, Director of Podiatric Medicine.

Medical progress in this technology says an estimated 1 million Canadians suffer from heel pain and in many cases this is due to a "sprained" inflamed tendon in the foot.



After bunion removal

"We treat heel spur pain in stages. First we reduce the inflammation of the tendon. Then we reduce the pressure on the heel with the use of specially molded cast supports."

If discomfort persists, endoscopic plantar fasciotomy is performed minimally under local anesthesia.

With this technique, a small incision is made on the side of the



Diagram depicting heel spur pain

While looking at a TV monitor Heber makes a tiny cut in the right tendon. This allows it to lengthen and release tension on the spur. "Our patients can walk immediately and in most cases they need no crutches or hospital admission."

Heber also treats bunions, hammertoes and corns through very small openings in the skin. This reduces soft tissue work and allows people to return to their jobs and normal activities quickly. He uses the laser for ingrown nails and warts.

Natal earned a Bachelor of Science degree in Toronto in 1975

NEW ALTERNATIVE TREATMENT NOW AVAILABLE

For Men With Enlarged Prostate Glands

Prostate disease often robs a man's lifestyle. By age 60, two-thirds of men have some degree of enlargement of the prostate. This can give rise to annoying symptoms such as urgency and the need to void frequently both day and night. They may also experience difficulty initiating urination as well as a decrease in the caliber and force of the urinary stream.

There are two alternatives for the treatment of an enlarged prostate gland in the Prostatic Hypertrophy Unit at a man's physician's office or at a urologist's office.

One is the removal of the prostate gland by open surgery. The other is the removal of the prostate gland by laser surgery.



Diagram depicting a catheter and the prostate gland

endoscopic therapy, conventional surgery (Transurethral Resection of the Prostate), laser surgery and a new method called Transurethral Microwave Thermotherapy (TUMT).

TUMT is a state-of-the-art technique which utilizes microwave energy during a single one-hour, minimally invasive, safe office treatment session — without the need for general or spinal anesthesia and its associated risks. This recent advancement has opened selective relief recognition and to being

excluded medical therapy, conventional surgery (Transurethral Resection of the Prostate), laser surgery and a new method called Transurethral Microwave Thermotherapy (TUMT).

Each patient must be thoroughly examined to rule out cancer of the prostate and to determine whether the patient is a candidate for TUMT. Some patients may have problems that we have treated with medical therapy in surgery. For those patients who are medical therapy or surgery, TUMT provides an alternative treatment avoiding hospitalization and the potential complications of surgery.

assisted by key biological leaders worldwide. TUMT uses computer controlled microwaves to pass into the prostate gland through a special catheter. These microwaves allow heat to destroy and reduce the prostate tissue around the urethra which has caused the obstruction. A special cooling system within the catheter protects the urethra from damage. Generally, most men are able to resume regular activities within a few days. A minor urinary infection is common.

Each patient must be thoroughly examined to rule out cancer of the prostate and to determine whether the patient is a candidate for TUMT. Some patients may have problems that we have treated with medical therapy in surgery. For those patients who are medical therapy or surgery, TUMT provides an alternative treatment avoiding hospitalization and the potential complications of surgery.

For more information call The International Prostate Center (Toronto) Ltd., 71 King Street West, Suite 404, Mississauga, Ontario, L5B 4A2 (905) 273-4946



The International Prostate Center (Toronto) Ltd. appoints its outpatient procedures for decades of the prostate gland, recently Transurethral Microwave Thermotherapy. Since its opening in 1982, The International Prostate Center (Toronto) Ltd. has enabled a large number of men to benefit from this new technology. They are also actively involved with medical research studies in concert with several academic centers. TUMT is considered investigational by Health and Welfare Canada and the FDA in the United States. The procedure is not covered by OHIP.

For more information call The International Prostate Center (Toronto) Ltd., 71 King Street West, Suite 404, Mississauga, Ontario, L5B 4A2 (905) 273-4946

ADVANCED SURGICAL TECHNIQUES IN HAIR REPLACEMENT

If you're concerned about thinning hair or baldness, new techniques in hair replacement surgery may be able to dramatically improve the appearance of your hair. At The Saenger Hair Transplant Clinic, Dr. David Saenger, an internationally trained hair replacement surgeon, uses advanced surgical techniques to successfully and safely restore hair loss.

Conducted by most doctors to be the best solution for baldness, hair transplantation involves redistributing existing permanent hair from the back and sides of the scalp and transplanting it to thinning or balding areas.

During hair transplantation, skin with permanent hair is taken from the sides and back of the scalp. The skin is then cut into tiny and micro grafts which are placed in the scalp, usually in one to two rows. The grafts are then transplanted into the scalp. The grafts are then transplanted into the scalp. The grafts are then transplanted into the scalp.

can now be done at which 1-2000 grafts can be transplanted into the scalp in a single session. The procedure is able to be done in a matter of a few weeks. The transplanted hair begins to grow again in a normal and natural way. "When properly done on the right candidate, hair and micro-graft transplantation can look so natural and so natural," says Dr. Saenger, "and because it's your own hair, there's no need for any medication or treatment. It's just as it was before it was transplanted."

These treatments are usually done in 3 or 4 separate sessions, each 6 to 14 weeks apart. Minimal recuperation is required and, usually, all patients may return to work the next day.

Dr. David Saenger, who discusses with each patient realistic expectations about the various types of procedures he offers, is located at the medical offices in London, England and has his permanent office in the USA, Canada and Australia.



- A - A strip of hair is removed
- B - Strip is divided into many small grafts
- C - These are the transplant grafts
- D - Grafts are then planted into bald areas where they grow

For further information or a consultation, contact The Saenger Hair Transplant Clinic located in The Court at the Coventry Hospital, 2863 Glenview Rd., Scarborough, Ontario M1H 5S6 (416) 297-3737 or 1-800-568-8462

Peggy's winning smile is the work of Dr. Edward Phillips, a Toronto dental surgeon who's given hundreds of people more to smile about. In this exact sense and degree, Dr. Phillips has become an "entertainer" of the smile, especially when he sees the difference it can make to people's manner and self-esteem.

A smile, says Dr. Phillips, is a passport and an artform. The "perfect smile" is not in which the upper edge of the teeth shows the upper curve of the lower jaw. It is also defined by measurements and proportions in relation to the other facial features.

When often the face of look that professionals ask for is not the Hollywood smile of glistening white pearls teeth, but often a full natural smile that is used to suffer difficult, uncomfortable moments as business, says Dr. Phillips. These individuals gain a need for an improved smile to complement their business requirements and to add to corporate structure whilst their personal dilemma. To be successful you must look successful!

An actual full-face consultation which costs \$50 and may be covered by many dental plans is done to



ESTHETIC DENTISTRY ... "Give yourself something to smile about!"



Peggy's winning smile is the result of ten porcelain veneers placed on her upper teeth.

Peggy Applebury, Queen's University
Biology Unit 1 Museum & Nature Building

identify the problems, determine what can be done and for how much. Body-end-of-the-computer images

and molds of the teeth might be used to show what the dental makeover would look like.

Dr. Phillips, who lectures on cosmetic dentistry, has new techniques been changed the face of aesthetic dentistry.

"Now many simple defects or problems can be corrected without braces," explained Dr. Phillips, "and I can do it in just 15 years ago!" notes Dr. Phillips, who gives advice to his patients and has appeared many times on radio and television.

Esthetic dentistry can involve a number of procedures that vary in cost and complexity. A gingivectomy (surgical gum trim) might be "roughed" down to make a better smile. Composite resin is possible means can be bonded to the teeth to correct shape, spacing and yellowing. Inlays and crowns are also available.

For further information contact Dr. Edward Phillips at 260 University Avenue (University and College), Toronto, Ontario, M5G 1Z5 (416) 593-5171.

LASER RE-SURFACING ELIMINATES UNWANTED WRINKLES

Wrinkles are a natural—yet undesirable—sign in the aging process that cannot be prevented. Over time, exposure to sun, smoking and skin thinning (caused by aging) can lead to wrinkles. Now you can safely, effectively and easily erase the effects of time through the advanced cosmetic surgical treatments offered at Dr. Elie's Clinic.

At Toronto's Center for Facial Cosmetic Surgery, Dr. David Elie utilizes advanced Silhouette CO₂ Laser technology in successfully treating facial wrinkles, freckles, and

Dr. Elie uses LASER RE-SURFACING to effectively treat facial wrinkles. The laser generates high energy in a very precise spot, removing exact layers of skin in a "peel" effect. The depth of the wrinkles become rounded, giving deep-set wrinkles a more appearance and making new wrinkles disappear. Depending on the number of wrinkles, the laser peel takes from 15 to 30 minutes. In the recovery, the skin naturally produces deposits of collagen, giving the skin a smoother appearance.

To further improve upper facial wrinkles such as crow's feet, lines and forehead, forehead lines,



Pre-Silhouette

Dr. Elie uses SILHOUETTE CO₂ LASER technology in successfully treating facial wrinkles, freckles, and

facial social activity much earlier than before.

Dr. Elie's practice is located at Toronto's Center for Facial Cosmetic Surgery, 187 Sheppard



Post-Silhouette

After the introduction of laser laser that is made into

At 187 Sheppard, Ontario M2N 1A9, Toronto appointments include: Dr. Elie, General Surgeon and Dr. Elie, General Surgeon. He is an Associate Professor of Otolaryngology at the University of Toronto.

For further information, you can call Dr. Elie's book "About Face" at your local bookstore or telephone for a consultation with Dr. Elie at (416) 223-1818 or (416) 746-2266.



Pre-Resurfacing Technique

Scars, acne scars, moles and sun spots. The LASER RE-SURFACING is especially effective in the forehead and the upper lip.



Post-Resurfacing Technique. Note the decrease in upper lip wrinkling.

PEOPLE

GOLFING GREATNESS

Canadian golfer Dave Coe-Jones will remember the first tournament on the 1995 Ladies Professional Golfers Association Tour for two significant events. Foremost was his stunning victory in the face of driving rain, wind, and a potentially difficult golf course at Grand Cypress Resort in Orlando, Fla. The 36-year-old veteran from Lake Co-



Coe-Jones' changing victory

willow, B.C., played a nearly flawless 72 holes to capture the Chrysler Phoenix Tournament of Champions on Jan. 25 by whipping an streaky yet great "windy" 1994 Player of the Year. For this, Coe-Jones took home a cheque for \$100,000 and a new car. "The more I think about it, the more it makes me smile," she said. Maclean's. But Coe-Jones seemed equally enthralled about something that occurred earlier during the tournament—the latest settlement in the National Hockey League. Said the staunch Mother Canadian: "I couldn't stand a whole season without hockey."



Macpherson: losing weight for profit

ELLE'S EMPIRE

To many of her fans, Elle Macpherson is best known as the supermodel who has graced the western cover of Sports Illustrated a record four times. But when the camera stops clicking, the brown-eyed blond has many other roles. As president of Elle Macpherson Intimate, a \$43-million lingerie company, she employs 1,500 people in her native Australia. And last year, she produced and published her own 194-page coffee-table book. In April, Macpherson will follow supermodel Naomi Campbell and Claudia Schiffer will open Fashion Club, a restaurant in New York City's Rockefeller Center. And now Macpherson, 30, has just completed filming the role of Blackie Ingram, in the latest screen adaptation of Jane Eyre. Her first movie, filmed directly to her latest co-edition. After putting on 20 lbs. for her part as an adolescent model's model, she developed an exercise program with Karna Vignoli, one of the top personal trainers in Los Angeles. Even though she looked terrific in *Sirens*, Macpherson says the cameras in her new video, *New Females* Don't Forget, said 220 Macpherson, helped her take all the extra pounds. Said Macpherson: "I didn't feel bad but it was essential for me."

ACTORS IN THE FAMILY

Even though he grew up in a household where both of his parents were actors, Jonathan Scarfe says that he had no intention of following in their footsteps. "It wasn't going to be that stupid," he says of the career path of his mother, Genine, and his father, Sam Bostick, and his brother, Alan Scarfe. Now in his second season (playing Jo) on Global TV's hour-long drama *Maddison*, the 19-year-old looks at the movie of it. "I started to set on a white and ended up exactly where I said I wouldn't be," he says. Scarfe also ended up working with his mother. In the episode airing this week, Bostick guest stars as the woman who gave up Jo at birth and returns to retrieve a necklace.



Bostick, Scarfe: award moments

Working with Bostick, says the Toronto-born Scarfe, "was an amazing experience—and not just because she's my mom." But he adds that filming the episode did have some weird moments. "It was like you can tell any of your mean tricks, because she's on to you as a film." Just like in real life.

SKATING TO GLORY

When 36-year-old Nelly Kim captured the women's title at the 1995 Canadian Figure Skating Championships in Hudson last week, she was simply doing the expected. The quiet student from the Toronto suburb of Willowdale had earned a "best time" label since she won the national junior title in 1991. But



Kim (left) and Scott, a quiet champion

those expectations finally drove her off the ice after the 1993 season, she dropped out of figure skating for nearly a year. The break happened here, and Kim, who received her medal from former champion Barbara Ann Scott, says she is excited by the prospect of representing Canada at the world championships. While trying to add new jumps to her repertoire, the shy new Canadian champion says she has to get used to the spotlight. Said Kim: "It's hard to come out of my shell a little bit."

Edited by TONI PENNELL

FILMS

Tortured souls

HEAVENLY CREATURES

Directed by Peter Jackson

Three stories do not get much stronger. During the early 1950s, in the sleepy town of Christchurch, New Zealand, two teenage school-girls with overheard conversations formed a pathologically intense friendship. It ended in 1954, when Pauline Parker and Juliet Hulme were convicted of murdering Pauline's mother by beating her over the head with a brick. New Zealand director Peter Jackson has turned the story into an extraordinary film. Instead of dwelling on the murder, *Heavenly Creatures* focuses on the girls' relationship and their mental fantasy life. The result is a bizarre blend, a true story, etched with as horrific details about characters who inhabit a fictional world of their own creation.

Of the two, Juliet (Kate Winslet) is the prettier one, the outcasted outsider, whose affluent parents neglect her even when she is hospitalized with tuberculosis. Pauline (Michelle Lynskey) is the homely one, a shy daughter of parents who run a boarding

house and a fish shop. Together, the girls retreat into a metaphysical wonderland they call the Fourth World, and write medieval romances set in the mythical landscapes of Beronia.

Jackson draws the film entirely from the point of view of one, conjuring up their secret life with ingenious art direction and effects. The camera seems charged with their giddy paranoia as public faces of parents and teach-

In a trio of movies, desperate characters commit desperate acts

ers before the lens. But the film remains grounded in reality thanks to absolutely riveting performances by Lynskey and Winslet as twisted spirits lost to mad love.

After five years in prison, Parker and Hulme were released in 1959—on the condition that they never meet again. They

changed their names and vanished from public view. But once the film's completion, a reporter has exposed Hulme's identity: she is Anne Perry, a well-known British author of murder mysteries. Stranger than fiction indeed.

MURDER IN THE FIRST

Directed by Marc Rocco

It is a paradox of our time that period films about innocent men waiting away in grim dungeons should serve as a form of escapism. Last year, there was *The Shawshank Redemption*, and now comes *Murder in the First*, a last-blooded drama inspired by the 1941 court case that brought down Altona, Christina Slater plays James Stanghell, a lawyer seeking justice for Henri Young (Kevin Spacey), who stands a fellow inmate to death with a spouse after being released from three years of solitary confinement. Slater argues that Young was merely the weapon—and that Altona was the murderer.

Both a prison movie and a courtroom drama, *Murder in the First* moves at a brisk clip, powered by Slater's excellent performance as a legal eagle, fighting a conspiracy of silence. Gary Oldman creates a compact but scary caricature of a sadistic warden. And the cast brings a ferocious brilliance to the role of Young, a wounded creature whose ecstatic terror hides a sly, caustic wit. After *Forest Gump* and *101*, Hollywood glorifies yet an-



lover (left, Rocco): ecstatic terror, dignity

ther heroic simplification (struggling for dignity). Director Marc Rocco, like the story's hottest lawyer, is prone to grandstanding. The cries of Young in solitary, his blood and sweat gleaming purple and blue, play like a music video of the Crucifixion. But while Roo-

co's gift variety with the camera can be distracting, the pathos comes alive through. And, for a tragedy about the systematic torture and destruction of a human being, *Murder in the First* is oddly enjoyable.

DEATH AND THE MARECH

Directed by Krzysztof Polanski

Another tale of torture, that is a tense psychological drama about conscience, vengeance and political repression. But for director Krzysztof Polanski, *Death and the Maiden* is, notably, about breasts—Sigmund Freud's Weaver's breasts. Based on the 1992 play by Chilean writer Ariel Dorfman, it takes place on a dark and stormy night in an ancestral Latin American country. Impatient for her husband to come home for dinner, Pauline (Weaver) slips into the rain wearing a thin blouse with no bra and gets soaked to the skin.

After the husband finally arrives, she strips off her wet clothes, while the camera catches her in profile. Later, in an intimate moment, he uncovers a breast, which is shown in close-up several times from a viewer's perspective as he rubs around the nipple. So often, Polanski seems to

be saying—how's that for nudity with dramatic justification?

The ruler of *Repression and Revenge's* *Death and the Maiden* is entirely qualified, perhaps overqualified, to direct a story of sadistic violence with creepy sexual overtones. Pauline has survived rape and torture as a political prisoner under a now-defunct dictatorship. The one government secret has named her husband, a lawyer named Gerardo (Gianfranco Wilton), to head an inquiry into the atrocities of the old regime. On that dark and stormy night, a stranger named Dr. Miranda (Ben Kingsley) happens upon their house, and from his viceroy Pauline recognizes him as her torturer. She ties him up in a basement, waits her partner in his mouth and conducts her own brutal interrogation while her husband watches in horror.

The drama hinges on whether or not Miranda is a victim of mistaken identity. Kingsley plays the ambiguity with great finesse. Wilton is compelling as her husband and both actors transcend their British origins with intriguing but unapologetic accents. Weaver, meanwhile, is Weaver—the alien stranger reveling in another up-against-the-wall woman's role. She is intense, but it is hard to take her seriously as a Latin American despot. And without that political context, *Death and the Maiden* becomes an unconvincing melodrama, a stage play burning up under the magnifying lens of Polanski's voyeurism.

BRIAN B. JOHNSON

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The excesses of the O.J. watch

BY ALLAN FOTHERINGHAM

The previous "trial of the century" took place in Dayton, Tenn., in the spring summer of 1935. John Scopes, science teacher and athletic coach of Ross County High School, had been charged because of teaching Darwin's theory of evolution.

The Tennessee legislature the previous March had passed the antievolution law, defending the divine creation of man as taught in the Bible.

When the trial opened, thousands stood lined the sidewalks, along with some posters of monkeys and coconuts. A circus man brought two chimpanzees to testify for the prosecution.

Some 225 reporters from the world press stood on tables along with newspaper operators. The best was to witness that prosecutor William Jennings Bryan, presidential candidate and fundamentalist, turned himself up with a huge palatial fan, fighting scenes of this heating on his bald head.

H.L. Mencklin, who watched all this in delight, had succeeded Clarence Darrow, the first standing lawyer of his day, to oppose Bryan—who died at a stroke four days after the trial ended. The judge pronounced Scopes' crimes as a "high misdemeanor" and fined him \$100, which was paid by the American Bar Association.

The judgment was overturned on appeal but it was not until 1967 that the materials have law was repealed by the state of Tennessee. Today, as a hill overlooking Dayton, is the William Jennings Bryan College.

Overlooking the new trial of the century are a pack of bedraggled strays who resemble the last celebration of Chechnya's presidential palace. Warty, streaked to the teeth with beam tubes and neon lenses, they are in the trenches outside the Las Vegas courthouse. Their only escape route is the nearby Pasadena drive-in movie Freeway. They have at least six more months of parish seat to go.

Shakespeare taught us long ago that murder was more fascinating than anything



Agatha Christie made a fortune on it. There's nothing new under the sun. The Bar's Office, a black man, loved a white woman and killed her because he couldn't keep her. Judge Lance Ili, an educated man, would know all about that.

On the sixth floor, room number 6307, the world's most expensive team of lawyers attempts to keep the new O.J. alive. Outside, in the grim corridor that looks like grim-coat house corridors everywhere, a long-haired Dennis Dunne leans against the wall, younger reporters like confetti ground around him.

He made his name as a society writer and novelist, his breaking and connections giving him precious contacts. Then his daughter was murdered and he covered the trial of her killer. He profiled Claus von Bülow and reported the William Kennedy Smith rape trial. *Penny Pin* editor Gayle Carter now calls him the premier crime reporter of his time.

Dunne believes that O. J. Simpson, through a talent agency, is negotiating a pay-per-view interview that—provided he is acquitted—would net him \$10 million.

He has revealed that the shaggy Robert Shapiro, Simpson's lawyer, was the lawyer for the guy who shot the first husband of Martha Clark, the chief prosecutor. Clark, once a dancer, died for divorce when her second husband three days before Nicole Simpson and Ron Goldman were slayed up.

Outside, on the sidewalk, there are black T-shirts for sale, emblazoned with "Pray for O. J." And black eyes. "Don't accuse the judge," the television network's jerry-built platforms are now six stories high in the parking lot.

Shakespeare would have loved it—if it not occurred it. Judge Ili's wife is Cagney Margaret York, the high-ranking female in the Los Angeles Police Department. "Turn out she was beaten by her first husband."

The Mencklin brothers who were to inherit a \$10-million estate were charged with blowing off the heads of their parents with shotguns. While waiting their next trial after a long year, they met not with accusations O. J. is the celebrity version of the Los Angeles County Jail. Their deed is there was once a high executive of Hertz, where O. J. did those airport terminal commutes.

There must be some sense to all this, but it takes a Shakespeare to tie it together. As said slides and Nabu into the sea, an multi-trillion Orange County goes into bankruptcy because its members thought the market always goes up—never down—the state swells its new prisons.

All the polls show that whites think he did it. All the polls show that blacks think he can't get a fair trial. There are only two whites on the jury. Are we the daughter Rodney King aftermath of the overwhelming evidence convictions?

It's standard truth that a white millionaire has never been executed in the United States. Could O. J. be the first to put that to a test as a black millionaire? Dominick Dunne has told his editor: "For years, the law was saying that if you have money you can buy your own justice. And now we're watching that in Technicolor."

California is the land of excess—earthquakes, fire, floods, Hollywood scandals and court cases that would seem to have ended the imagination of Senator-prefect. By Jan 1, the taxpayers of California had paid \$1.7 billion for this trial. They are being charged for their entertainment.

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